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PUBLIC LAW 108–136—NOV. 24, 2003

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NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004

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Public Law 108–136
108th Congress

An Act

Nov. 24, 2003
[H.R. 1588]

To authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

National Defense Authorization Act for Fiscal Year 2004.

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Defense Authorization Act for Fiscal Year 2004”.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.
(2) Division B—Military Construction Authorizations.
(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

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Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

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TITLE XXII—NAVY

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Sec. 2841. Land conveyance, Navy property, Dixon, California.
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Sec. 3102. Defense environmental management.
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Subtitle E—Consolidation of National Security Provisions

Sec. 3141. Transfer and consolidation of recurring and general provisions on Department of Energy national security programs.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Authorized uses of National Defense Stockpile funds.
Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

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Subtitle A—Maritime Administration Reauthorization

Sec. 3511. Authorization of appropriations for fiscal years 2004, 2005, 2006, 2007, and 2008.
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Sec. 3513. Authority to convey vessel USS HOIST (ARS–40).
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Subtitle B—Amendments to Title XI Loan Guarantee Program

Sec. 3521. Equity payments by obligor for disbursement prior to termination of escrow agreement.
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Subtitle D—National Defense Tank Vessel Construction Assistance

Sec. 3541. National defense tank vessel construction program.
Sec. 3542. Application procedure.
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TITLE XXXVI—NUCLEAR SECURITY INITIATIVE

Sec. 3601. Short title.

Subtitle A—Administration and Oversight of Threat Reduction and Nonproliferation Programs

Sec. 3611. Management assessment of Department of Defense and Department of Energy threat reduction and nonproliferation programs.

Subtitle B—Relations Between the United States and Russia

Sec. 3621. Comprehensive inventory of Russian tactical nuclear weapons.
Sec. 3622. Establishment of interparliamentary Threat Reduction Working Group.
Sec. 3623. Sense of Congress on cooperation by United States and NATO with Russia on ballistic missile defenses.
Sec. 3624. Sense of Congress on enhanced collaboration to achieve more reliable Russian early warning systems.

Subtitle C—Other Matters

Sec. 3631. Promotion of discussions on nuclear and radiological security and safety between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term "congressional defense committees" means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.

Subtitle B—Army Programs

Sec. 111. Stryker vehicle program.
Sec. 112. CH–47 helicopter program.

Subtitle C—Navy Programs

Sec. 121. Multiyear procurement authority for F/A–18 aircraft program.
Sec. 122. Multiyear procurement authority for Tactical Tomahawk cruise missile program.
Sec. 123. Multiyear procurement authority for Virginia class submarine program.
Sec. 124. Multiyear procurement authority for E–2C aircraft program.
Sec. 125. Multiyear procurement authority for Phalanx Close In Weapon System program.
Sec. 126. Pilot program for flexible funding of cruiser conversions and overhauls.

Subtitle D—Air Force Programs

Sec. 131. Elimination of quantity limitations on multiyear procurement authority for C–130J aircraft.
Sec. 132. Limitation on retiring C–5 aircraft.
Sec. 133. Limitation on obligation of funds for procurement of F/A–22 aircraft.
Sec. 134. Aircraft for performance of aerial refueling mission.
Sec. 135. Procurement of tanker aircraft.

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Army as follows:

(1) For aircraft, $2,098,985,000.

(2) For missiles, $1,549,462,000.

(3) For weapons and tracked combat vehicles, $1,997,304,000.

(4) For ammunition, $1,413,305,000.

(5) For other procurement, $4,365,246,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Navy as follows:

(1) For aircraft, $9,009,948,000.

(2) For weapons, including missiles and torpedoes, $2,233,534,000.

(3) For shipbuilding and conversion, $11,729,984,000.

(4) For other procurement, $4,739,143,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Marine Corps in the amount of $1,123,499,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement of ammunition for the Navy and the Marine Corps in the amount of $924,355,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Air Force as follows:

(1) For aircraft, $12,035,151,000.
(2) For ammunition, $1,284,725,000.
(3) For missiles, $4,298,505,000.
(4) For other procurement, $11,631,859,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2004 for Defense-wide procurement in the amount of $3,768,506,000.

Subtitle B—Army Programs

SEC. 111. STRYKER VEHICLE PROGRAM.

(a) LIMITATION.—Of the funds authorized to be appropriated under section 101 for procurement for the Army for fiscal year 2004 that are available for the Stryker vehicle program, not more than 80 percent may be obligated until—

(1) the Secretary of the Army has submitted to the Deputy Secretary of Defense the report specified in subsection (b);

(2) the Secretary of Defense has submitted to the congressional defense committees the report referred to in subsection (c); and

(3) a period of 30 days has elapsed after the date of the receipt by those committees of the report and certification under paragraph (2).

(b) SECRETARY OF THE ARMY REPORT.—The report referred to in subsection (a)(1) is the report required to be submitted by the Secretary of the Army to the Deputy Secretary of Defense not later than July 8, 2003, that identifies options for modifications to the equipment and configuration of the Army brigades designated as “Stryker brigade combat teams” to assure that those brigades, after incorporating such modifications, provide—

(1) a higher level of combat capability and sustainability;

(2) a capability across a broader spectrum of combat operations; and

(3) a capability to be employed independently of higher-level command formations and support.

(c) SECRETARY OF DEFENSE REPORT.—The Secretary of Defense shall transmit to the congressional defense committees, not later than 30 days after the date of the receipt by the Deputy Secretary of Defense of the report of the Secretary of the Army referred to in subsection (b), the modification options identified by the Secretary of the Army for purposes of that report. The Secretary of Defense shall include any comments that may be applicable to the analysis of the Secretary of the Army’s report.

SEC. 112. CH–47 HELICOPTER PROGRAM.

(a) REQUIREMENT FOR STUDY.—The Secretary of the Army shall conduct a study of the feasibility and the costs and benefits of providing for the participation of a second source in the production of gears for the helicopter transmissions incorporated into CH–47 helicopters to be procured by the Army with funds authorized to be appropriated by this Act.

Deadline.

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the results of the study under subsection (a).

Subtitle C—Navy Programs

SEC. 121. MULTIYEAR PROCUREMENT AUTHORITY FOR F/A–18 AIRCRAFT PROGRAM.

The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2005 program year, for procurement of aircraft in the F/A–18E, F/A–18F, and EA–18G configurations. The total number of aircraft procured through a multiyear contract under this section may not exceed 234.

SEC. 122. MULTIYEAR PROCUREMENT AUTHORITY FOR TACTICAL TOMAHAWK CRUISE MISSILE PROGRAM.

(a) AUTHORITY.—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of Tactical Tomahawk cruise missiles. The total number of missiles procured through a multiyear contract under this section shall be determined by the Secretary of the Navy, based upon the funds available, but not to exceed 900 in any year.

(b) TACTICAL TOMAHAWK CRUISE MISSILES.—The Secretary of the Navy may not enter into a contract authorized by subsection (a) until the Secretary—

(1) determines on the basis of operational testing that the Tactical Tomahawk Cruise Missile is effective for fleet use; and

(2) submits notice of such determination to the congressional defense committees.

SEC. 123. MULTIYEAR PROCUREMENT AUTHORITY FOR VIRGINIA CLASS SUBMARINE PROGRAM.

(a) AUTHORITY.—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of Virginia-class submarines.

(b) LIMITATION.—The Secretary of the Navy may not enter into a contract authorized by subsection (a) until—

(1) the Secretary submits to the congressional defense committees a certification that the Secretary has made each of the findings with respect to such contract specified in subsection (a) of section 2306b of title 10, United States Code; and

(2) a period of 30 days has elapsed after the date of the transmission of such certification.

(c) APPLICABILITY OF SHIPBUILDER TEAMING LAW.—Paragraphs (2)(A), (3), and (4) of section 121(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111

Stat. 1648) shall apply in the exercise of authority to enter into a multiyear contract under subsection (a).

SEC. 124. MULTIYEAR PROCUREMENT AUTHORITY FOR E–2C AIRCRAFT PROGRAM.

(a) AIRCRAFT.—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of E–2C and TE–2C aircraft.

(b) ENGINES.—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of engines for aircraft in the E–2C or TE–2C configuration.

(c) LIMITATION ON TERM OF CONTRACTS.—Notwithstanding subsection (k) of section 2306b of title 10, United States Code, a contract under this section may not be for a period in excess of four program years.

SEC. 125. MULTIYEAR PROCUREMENT AUTHORITY FOR PHALANX CLOSE IN WEAPON SYSTEM PROGRAM.

The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement for the Phalanx Close In Weapon System program, Block 1B.

10 USC 7291 note.

SEC. 126. PILOT PROGRAM FOR FLEXIBLE FUNDING OF CRUISER CONVERSIONS AND OVERHAULS.

(a) ESTABLISHMENT.—The Secretary of the Navy may carry out a pilot program of flexible funding of conversions and overhauls of cruisers of the Navy in accordance with this section.

(b) AUTHORITY.—Under the pilot program, the Secretary may, subject to subsection (d), transfer amounts described in subsection (c) to the appropriation for the Navy for procurement for shipbuilding and conversion for any fiscal year to continue to provide funds for any conversion or overhaul of a cruiser of the Navy for which funds were initially provided from the appropriation to which transferred.

(c) FUNDS AVAILABLE FOR TRANSFER.—The amounts available for transfer under this section are amounts appropriated to the Navy for any fiscal year after fiscal year 2003 and before fiscal year 2013 for the following purposes:

(1) For procurement, as follows:
  (A) For shipbuilding and conversion.
  (B) For weapons procurement.
  (C) For other procurement.
(2) For operation and maintenance.

(d) LIMITATIONS.—(1) A transfer may be made with respect to a cruiser under this section only to meet either (or both) of the following requirements:

(A) An increase in the size of the workload for conversion or overhaul to meet existing requirements for the cruiser.

(B) A new conversion or overhaul requirement resulting from a revision of the original baseline conversion or overhaul program for the cruiser.

(2) A transfer may not be made under this section before the date that is 30 days after the date on which the Secretary

of the Navy transmits to the congressional defense committees a written notification of the intended transfer. The notification shall include the following matters:

(A) The purpose of the transfer.

(B) The amounts to be transferred.

(C) Each account from which the funds are to be transferred.

(D) Each program, project, or activity from which the funds are to be transferred.

(E) Each account to which the funds are to be transferred.

(F) A discussion of the implications of the transfer for the total cost of the cruiser conversion or overhaul program for which the transfer is to be made.

(e) MERGER OF FUNDS.—Amounts transferred to an appropriation with respect to the conversion or overhaul of a cruiser under this section shall be credited to and merged with other funds in the appropriation to which transferred and shall be available for the conversion or overhaul of such cruiser for the same period as the appropriation to which transferred.

(f) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The authority to transfer funds under this section is in addition to any other authority provided by law to transfer appropriated funds and is not subject to any restriction, limitation, or procedure that is applicable to the exercise of any such other authority.

Deadline.

(g) FINAL REPORT.—Not later than October 1, 2011, the Secretary of the Navy shall submit to the congressional defense committees a report containing the Secretary's evaluation of the efficacy of the authority provided under this section.

(h) TERMINATION OF PROGRAM.—No transfer may be made under this section after September 30, 2012.

Subtitle D—Air Force Programs

SEC. 131. ELIMINATION OF QUANTITY LIMITATIONS ON MULTIYEAR PROCUREMENT AUTHORITY FOR C–130J AIRCRAFT.

Section 131(a) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2475) is amended by striking “up to 40 C–130J aircraft in the CC–130J configuration and up to 24 C–130J aircraft in the KC–130J configuration” and inserting “C–130J aircraft in the CC–130J and KC–130J configurations”.

SEC. 132. LIMITATION ON RETIRING C–5 AIRCRAFT.

(a) LIMITATION.—The Secretary of the Air Force may not proceed with a decision to retire C–5A aircraft from the active inventory of the Air Force in any number that would reduce the total number of such aircraft in the active inventory below 112 until—

(1) the Air Force has modified a C–5A aircraft to the configuration referred to as the Reliability Enhancement and Reengining Program (RERP) configuration, as planned under the C–5 System Development and Demonstration program as of May 1, 2003; and

(2) the Director of Operational Test and Evaluation of the Department of Defense—

(A) conducts an operational evaluation of that aircraft, as so modified; and

(B) provides to the Secretary of Defense and the congressional defense committees an operational assessment.

(b) Operational Evaluation.—An operational evaluation for purposes of paragraph (2)(A) of subsection (a) is an evaluation, conducted during operational testing and evaluation of the aircraft, as so modified, of the performance of the aircraft with respect to reliability, maintainability, and availability and with respect to critical operational issues.

(c) Operational Assessment.—An operational assessment for purposes of paragraph (2)(B) of subsection (a) is an operational assessment of the program to modify C–5A aircraft to the configuration referred to in subsection (a)(1) regarding both overall suitability and deficiencies of the program to improve performance of the C–5A aircraft relative to requirements and specifications for reliability, maintainability, and availability of that aircraft as in effect on May 1, 2003.

SEC. 133. LIMITATION ON OBLIGATION OF FUNDS FOR PROCUREMENT OF F/A–22 AIRCRAFT.

(a) Limitation.—Of the amount appropriated for fiscal year 2004 for procurement of F/A–22 aircraft, $136,000,000 may not be obligated until the Under Secretary of Defense for Acquisition, Technology, and Logistics submits to the congressional defense committees the Under Secretary's certification that—

(1) the five aircraft designated to participate in the initial operational test and evaluation program for the F/A–22 aircraft, plus the avionics software test aircraft, have each been equipped with the avionics software operational flight program that is configured for initial operational test and evaluation; and

(2) before the commencement of that initial operational test and evaluation program, the six aircraft specified in paragraph (1) demonstrate, on average, a mean time between covered avionics anomalies of at least five hours.

(c) Covered Avionics Anomalies.—For purposes of subsection (a), the term "covered avionics anomalies" means any of the following:

(1) A software event referred to as a Type 1 failure.

(2) A software event referred to as a Type 2 failure.

(3) A hardware event referred to as a Type 5 failure.

(c) Contingency Waiver Authority.—If the Under Secretary notifies the Secretary of Defense that the Under Secretary is unable to make the certification described in subsection (a), the Secretary may waive the limitation under that subsection. Upon making such a waiver—

Notification.

(1) the Secretary of Defense shall notify the congressional defense committees of the waiver and of the reasons therefor; and

(2) the funds described in subsection (a) may then be obligated, by reason of such waiver, after the end of the 30-day period beginning on the date on which the Secretary's notification is received by those committees.

SEC. 134. AIRCRAFT FOR PERFORMANCE OF AERIAL REFUELING MISSION.

(a) Restriction on Retirement of KC–135E Aircraft.—The Secretary of the Air Force shall ensure that the number of KC–

aircraft of the Air Force that are retired in fiscal year 2004, , does not exceed 12 such aircraft.

Deadline.

b) REQUIRED ANALYSIS.—Not later than March 1, 2004, the tary of the Air Force shall submit to the congressional defense ittees an analysis of alternatives for meeting the aerial ling requirements that the Air Force has the mission to meet. Secretary shall provide for the analysis to be performed by lerally funded research and development center or another independent of the Department of Defense.

135. PROCUREMENT OF TANKER AIRCRAFT.

10 USC 2401a note.

a) LEASED AIRCRAFT.—The Secretary of the Air Force may no more than 20 tanker aircraft under the multiyear aircraft pilot program referred to in subsection (d).

b) MULTIYEAR PROCUREMENT AUTHORITY.—(1) Beginning with iscal year 2004 program year, the Secretary of the Air Force in accordance with section 2306b of title 10, United States enter into a multiyear contract for the purchase of tanker aft necessary to meet the requirements of the Air Force for leasing of tanker aircraft is provided for under the multiyear aft lease pilot program but for which the number of tanker aft leased under the authority of subsection (a) is insufficient.

2) The total number of tanker aircraft purchased through ltiyear contract under this subsection may not exceed 80.

3) Notwithstanding subsection (k) of section 2306b of title nited States Code, a contract under this subsection may be y period not in excess of 10 program years.

4) A multiyear contract under this subsection may be initiated ntinued for any fiscal year for which sufficient funds are able to pay the costs of such contract for that fiscal year, ut regard to whether funds are available to pay the costs h contract for any subsequent fiscal year. Such contract shall de, however, that performance under the contract during the quent year or years of the contract is contingent upon the priation of funds and shall also provide for a cancellation ent to be made to the contractor if such appropriations are ade.

c) STUDY OF LONG-TERM TANKER AIRCRAFT MAINTENANCE AND NING REQUIREMENTS.—(1) The Secretary of Defense shall carry study to identify alternative means for meeting the long- requirements of the Air Force for—

(A) the maintenance of tanker aircraft leased under the ultiyear aircraft lease pilot program or purchased under sub- ection (b); and

(B) training in the operation of tanker aircraft leased under he multiyear aircraft lease pilot program or purchased under ubsection (b).

Deadline. Reports.

2) Not later than April 1, 2004, the Secretary of Defense submit a report on the results of the study to the congressional se committees.

d) MULTIYEAR AIRCRAFT LEASE PILOT PROGRAM DEFINED.— is section, the term "multiyear aircraft lease pilot program" s the aerial refueling aircraft program authorized under sec- 8159 of the Department of Defense Appropriations Act, 2002 ion A of Public Law 107–117; 115 Stat. 2284).

e) SENSE OF CONGRESS.—It is the sense of Congress that, dgeting for a program to acquire new tanker aircraft for the Air Force, the President should ensure that sufficient budgetary resources are provided to the Department of Defense to fully execute the program and to further ensure that all other critical defense programs are fully and properly funded.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for defense science and technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Collaborative program for development of electromagnetic gun technology.
Sec. 212. Leadership and duties of Department of Defense Test Resource Management Center.
Sec. 213. Development of the Joint Tactical Radio System.
Sec. 214. Future Combat Systems.
Sec. 215. Extension of reporting requirement for RAH–66 Comanche aircraft program.
Sec. 216. Studies of fleet platform architectures for the Navy.

Subtitle C—Ballistic Missile Defense

Sec. 221. Enhanced flexibility for ballistic missile defense systems.
Sec. 222. Fielding of ballistic missile defense capabilities.
Sec. 223. Oversight of procurement, performance criteria, and operational test plans for ballistic missile defense programs.
Sec. 224. Renewal of authority to assist local communities affected by ballistic missile defense system test bed.
Sec. 225. Prohibition on use of funds for nuclear-armed interceptors in missile defense systems.
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Subtitle D—Other Matters

Sec. 231. Global Research Watch program in the Office of the Director of Defense Research and Engineering.
Sec. 232. Defense Advanced Research Projects Agency biennial strategic plan.
Sec. 233. Enhancement of authority of Secretary of Defense to support science, mathematics, engineering, and technology education.
Sec. 234. Department of Defense program to expand high-speed, high-bandwidth capabilities for network-centric operations.
Sec. 235. Blue forces tracking initiative.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $9,544,833,000.

(2) For the Navy, $14,845,503,000.

(3) For the Air Force, $20,555,667,000.

(4) For Defense-wide activities, $18,438,718,000, of which $286,661,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECHNOLOGY.

(a) Fiscal Year 2004.—Of the amounts authorized to be appropriated by section 201, $11,029,557,000 shall be available for the

Defense Science and Technology Program, including basic research, applied research, and advanced technology development projects.

(b) BASIC RESEARCH, APPLIED RESEARCH, AND ADVANCED TECHNOLOGY DEVELOPMENT DEFINED.—For purposes of this section, the term "basic research, applied research, and advanced technology development" means work funded in program elements for defense research and development under Department of Defense category 6.1, 6.2, or 6.3.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. COLLABORATIVE PROGRAM FOR DEVELOPMENT OF ELECTROMAGNETIC GUN TECHNOLOGY.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall establish and carry out a collaborative program for evaluation and demonstration of advanced technologies and concepts for advanced gun systems that use electromagnetic propulsion for direct and indirect fire applications.

(b) DESCRIPTION OF PROGRAM.—The program under subsection (a) shall be carried out collaboratively pursuant to a memorandum of agreement to be entered into among the Director of Defense Research and Engineering, the Secretary of the Army, the Secretary of the Navy, the Director of the Defense Advanced Research Projects Agency, and other appropriate officials of the Department of Defense, as determined by the Secretary. The program shall include the following activities:

(1) Identification of technical objectives, quantified technical barriers, and enabling technologies associated with development of the objective electromagnetic gun systems envisioned to meet the needs of each of the Armed Forces and, in so doing, identification of opportunities for development of components or subsystems common to those envisioned gun systems.

(2) Preparation of a plan and schedule for development of electromagnetic gun systems for military applications, which—

(A) includes the programs currently planned within the Department of Defense;

(B) describes how enabling technologies common to such programs are developed and utilized; and

(C) provides estimated dates for decision points, prototype demonstrations, and transitions of technologies to acquisition programs.

(3) Identification of a strategy for the participation of industry in the program.

(c) MATTERS INCLUDED.—The advanced technologies and concepts included under the program may include, but are not limited to, the following:

(1) Advanced electrical power, energy storage, and switching systems.

(2) Electromagnetic launcher materials and construction techniques for long barrel life.

(3) Guidance and control systems for electromagnetically launched projectiles.

(4) Advanced projectiles and other munitions for electromagnetic gun systems.

(5) Hypervelocity terminal effects.

(d) TRANSITION OF TECHNOLOGIES.—The Secretary of Defense shall encourage the transition of technologies developed under the program under subsection (a) into appropriate acquisition programs of the military departments.

Deadline.
Reports.

(e) REPORT.—Not later than March 31, 2004, the Director of Defense Research and Engineering, in collaboration with the other officials who entered into the memorandum of agreement under subsection (b), shall submit a report to the congressional defense committees on the implementation of the program under subsection (a). The report shall include the following:

(1) A description of the memorandum of agreement entered into under subsection (b).

(2) The plan and schedule required by subsection (b)(2).

(3) A description of the goals and objectives of the program.

(4) Identification of funding required for fiscal years 2004 and 2005 and for the future-years defense program to carry out the program.

(5) A description of a plan for industry participation in the program.

SEC. 212. LEADERSHIP AND DUTIES OF DEPARTMENT OF DEFENSE TEST RESOURCE MANAGEMENT CENTER.

(a) AUTHORITY TO SELECT CIVILIAN EMPLOYEE AS DIRECTOR.—Subsection (b)(1) of section 196 of title 10, United States Code, is amended—

(1) by striking “on active duty. The Director” and inserting “on active duty or from among senior civilian officers and employees of the Department of Defense. A commissioned officer serving as the Director”; and

(2) by adding at the end the following: “A civilian officer or employee serving as the Director, while so serving, has a pay level equivalent in grade to lieutenant general.”.

(b) EXPANSION OF DUTIES OF DIRECTOR.—(1) Subsection (c)(1)(B) of such section is amended by inserting after “Department of Defense” the following: “, other than budgets and expenditures for activities described in section 139(i) of this title”.

(2) Subsection (e)(1) of such section is amended—

(A) by striking “, the Director of Operational Test and Evaluation,”; and

(B) by striking “, Director’s, or head’s” and inserting “or Defense Agency head’s”.

SEC. 213. DEVELOPMENT OF THE JOINT TACTICAL RADIO SYSTEM.

(a) PLAN FOR MANAGEMENT OF DEVELOPMENT PROGRAM.—The Secretary of Defense shall develop a plan for implementation of management of the development program for the Joint Tactical Radio System under a single joint program office. As part of such plan, the Secretary shall designate an office for such purpose. The Secretary shall include in the plan measures to ensure that—

(1) the Joint Tactical Radio Program has a program management structure that provides strong and effective joint management;

(2) the head of the joint program office has sufficient control and authority to properly execute that development program; and

(3) effective processes are established to resolve disputes between military departments with respect to that program.

(b) PROGRAM DEVELOPMENT.—The Secretary shall provide that, subject to the authority, direction, and control of the Secretary, the head of the joint program office designated under subsection (a) shall—

(1) establish and control the systems engineering and the performance and design specifications for the Joint Tactical Radio System;

(2) establish and control the standards for development of software and equipment for that system; and

(3) establish and control the standards for operation of that system.

(c) PROGRAM REQUIREMENTS.—The Secretary shall ensure—

(1) that there is developed and implemented a single, unified concept of operations for all users of the Joint Tactical Radio System; and

(2) that the responsibility for the coordination of the operational requirements for that system is vested in the Chairman of the Joint Chiefs of Staff, with the participation of the Joint Tactical Radio System program office.

Deadline.

(d) REPORT ON PLAN.—The Secretary shall submit the plan required by subsection (a) to the Committees on Armed Services of the Senate and House of Representatives not later than February 1, 2004.

(e) IMPLEMENTATION DEADLINE.—The Secretary shall implement the plan required by subsection (a) not later than December 1, 2004.

SEC. 214. FUTURE COMBAT SYSTEMS.

Reports.

(a) LIMITATION.—Of the funds authorized to be appropriated under section 201(1) for development and demonstration of systems for the Future Combat Systems program, $170,000,000 may not be obligated or expended until 30 days after the Secretary of the Army submits to the congressional defense committees a report on such program. The report shall include the following:

(1) The findings and conclusions of—

(A) the review of the Future Combat Systems program carried out by the independent panel at the direction of the Secretary of Defense; and

(B) the milestone B review of the Future Combat Systems program carried out by the Defense Acquisition Board.

(2) For each of the three projects requested under program element 64645A, a breakdown of the costs of that project for fiscal year 2004 at a level of detail sufficient to justify the amount requested for that project in the budget submitted by the President.

(b) SEPARATE PROGRAM ELEMENTS.—For fiscal years beginning with 2004, the Secretary of Defense shall ensure that the following matters (referred to as projects under program element 64645A in the budget justification materials submitted in support of the President's budget for fiscal year 2004) are each planned, programmed, and budgeted for as a separate, dedicated program element:

(1) The Future Combat Systems project.

(2) The Networked Fires System Technology project.

(3) The Objective Force Indirect Fires project.

(c) ANNUAL REPORT.—At the same time that the President submits the budget for a fiscal year to Congress under section 1105(a) of title 31, United States Code, the Secretary of the Army shall submit to the congressional defense committees a report on the programs and projects comprising the Future Combat Systems program. The report shall include—

(1) for each such program or project, a breakdown of the costs of that program or project for that fiscal year at a level of detail sufficient to justify the amount requested for that program or project in that budget; and

(2) any updated analysis of alternatives for the program.

SEC. 215. EXTENSION OF REPORTING REQUIREMENT FOR RAH-66 COMANCHE AIRCRAFT PROGRAM.

Section 211 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2479) is amended in subsection (a) by inserting “and fiscal year 2004” after “fiscal year 2003”.

10 USC 113 note.

SEC. 216. STUDIES OF FLEET PLATFORM ARCHITECTURES FOR THE NAVY.

(a) INDEPENDENT STUDIES.—(1) The Secretary of Defense shall provide for the performance of two independent studies of alternative future fleet platform architectures for the Navy.

(2) The Secretary shall forward the results of each study to the congressional defense committees not later than January 15, 2005.

(3) Each such study shall be submitted both in unclassified, and to the extent necessary, in classified versions.

(b) ENTITIES TO PERFORM STUDIES.—The Secretary of Defense shall provide for the studies under subsection (a) to be performed as follows:

(1) One study shall be performed by a federally funded research and development center.

(2) The other study shall be performed by the Office of Force Transformation within the Office of the Secretary of Defense and shall include participants from (A) the Office of Net Assessment within the Office of the Secretary of Defense, (B) the Department of the Navy, and (C) the Joint Staff.

(c) PERFORMANCE OF STUDIES.—(1) The Secretary of Defense shall require the two studies under this section to be conducted independently of each other.

(2) In performing a study under this section, the organization performing the study, while being aware of the current and projected fleet platform architectures, shall not be limited by the current or projected fleet platform architecture and shall consider the following:

(A) The National Security Strategy of the United States.

(B) Potential future threats to the United States and to United States naval forces.

(C) The traditional roles and missions of United States naval forces.

(D) Alternative roles and missions for United States naval forces.

(E) Other government and non-government analyses that would contribute to the study through variations in study assumptions or potential scenarios.

(F) The role of evolving technology on future naval forces.

(G) Opportunities for reduced manning and unmanned ships and vehicles in future naval forces.

(d) STUDY RESULTS.—The results of each study under this section shall—

(1) present the alternative fleet platform architectures considered, with assumptions and possible scenarios identified for each;

(2) provide for presentation of minority views of study participants; and

(3) for the recommended architecture, provide—

(A) the numbers, kinds, and sizes of vessels, the numbers and types of associated manned and unmanned vehicles, and the basic capabilities of each of those platforms; and

(B) other information needed to understand that architecture in basic form and the supporting analysis.

Subtitle C—Ballistic Missile Defense

SEC. 221. ENHANCED FLEXIBILITY FOR BALLISTIC MISSILE DEFENSE SYSTEMS.

(a) FLEXIBILITY FOR SPECIFICATION OF PROGRAM ELEMENTS.—Subsection (a) of section 223 of title 10, United States Code, is amended—

(1) by inserting "BY PRESIDENT" in the subsection heading after "SPECIFIED";

(2) by striking "program elements governing functional areas as follows:" and inserting "such program elements as the President may specify."; and

(3) by striking paragraphs (1) through (6).

(b) CONFORMING AMENDMENTS.—(1) Subsection (c) of such section is amended by striking "for each program element specified in subsection (a)" and inserting "for a fiscal year for any program element specified for that fiscal year pursuant to subsection (a)".

(2) Subsection (c)(3) of section 232 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1037; 10 U.S.C. 2431 note) is amended by striking "each functional area" and all that follows through "subsection (b)," and inserting "each then-current program element for ballistic missile defense systems in effect pursuant to subsection (a) or (b)".

(c) AMENDMENTS RELATING TO CHANGES IN ACQUISITION TERMINOLOGY.—(1) Section 223(b)(2) of title 10, United States Code, is amended by striking "means the development phase whose" and inserting "means the period in the course of an acquisition program during which the".

(2) Subsection (d)(1) of section 232 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1037; 10 U.S.C. 2431 note) is amended by striking ", as added by subsection (b)".

SEC. 222. FIELDING OF BALLISTIC MISSILE DEFENSE CAPABILITIES.

Funds authorized to be appropriated under section 201(4) for the Missile Defense Agency may be used for the development and fielding of an initial set of ballistic missile defense capabilities.

SEC. 223. OVERSIGHT OF PROCUREMENT, PERFORMANCE CRITERIA, AND OPERATIONAL TEST PLANS FOR BALLISTIC MISSILE DEFENSE PROGRAMS.

(a) PROCUREMENT.—(1) Chapter 9 of title 10, United States Code, is amended by inserting after section 223 the following new section:

“§ 223a. Ballistic missile defense programs: procurement

“(a) BUDGET JUSTIFICATION MATERIALS.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year (as submitted with the budget of the President under section 1105(a) of title 31), the Secretary of Defense shall specify, for each ballistic missile defense system element for which the Missile Defense Agency is engaged in planning for production and initial fielding, the following information:

“(1) The production rate capabilities of the production facilities planned to be used for production of that element.

“(2) The potential date of availability of that element for initial fielding.

“(3) The estimated date on which the administration of the acquisition of that element is to be transferred from the Director of the Missile Defense Agency to the Secretary of a military department.

“(b) FUTURE-YEARS DEFENSE PROGRAM.—The Secretary of Defense shall include in the future-years defense program submitted to Congress each year under section 221 of this title an estimate of the amount necessary for procurement for each ballistic missile defense system element, together with a discussion of the underlying factors and reasoning justifying the estimate.

“(c) PERFORMANCE CRITERIA.—The Director of the Missile Defense Agency shall include in the performance criteria prescribed for planned development phases of the ballistic missile defense system and its elements a description of the intended effectiveness of each such phase against foreign adversary capabilities.

“(d) TESTING PROGRESS.—The Director of Operational Test and Evaluation shall make available for review by the congressional defense committees the developmental and operational test plans established to assess the effectiveness of the ballistic missile defense system and its elements with respect to the performance criteria described in subsection (c).”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 223 the following new item:

“223a. Ballistic missile defense programs: procurement.”.

10 USC 223a note.

(b) IMPLEMENTATION OF REQUIREMENT FOR AVAILABILITY OF TEST PLANS.—Subsection (d) of section 223a of title 10, United States Code, as added by subsection (a), shall be implemented not later than March 1, 2004.

SEC. 224. RENEWAL OF AUTHORITY TO ASSIST LOCAL COMMUNITIES AFFECTED BY BALLISTIC MISSILE DEFENSE SYSTEM TEST BED.

Section 235(b) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1041) is amended—

(1) in paragraph (1), by inserting “or 2004” after “for fiscal year 2002”; and

(2) by adding at the end the following new paragraph:

Deadline. Reports.

“(3) Not later than 60 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004, the Secretary of Defense shall submit to the congressional defense committees a report on the community assistance projects under this subsection that are to be supported using funds referred to in paragraph (1) for fiscal year 2004. The report shall include, for each such project, a description of the project and an estimate of the total cost of the project.”.

SEC. 225. PROHIBITION ON USE OF FUNDS FOR NUCLEAR-ARMED INTERCEPTORS IN MISSILE DEFENSE SYSTEMS.

No funds authorized to be appropriated for the Department of Defense by this Act may be obligated or expended for research, development, test, and evaluation, procurement, or deployment of nuclear-armed interceptors in a missile defense system.

SEC. 226. FOLLOW-ON RESEARCH, DEVELOPMENT, TEST, AND EVALUATION RELATED TO SYSTEM IMPROVEMENTS FOR MISSILE DEFENSE PROGRAMS TRANSFERRED TO MILITARY DEPARTMENTS.

(a) REQUIREMENT FOR DELINEATION OF RESPONSIBILITY FOR FOLLOW-ON RDT&E.—Subsection (e) of section 224 of title 10, United States Code, is amended—

(1) by striking “for each” and inserting “before a”;

(2) by inserting “is” before “transferred”;

(3) by striking “responsibility” and inserting “roles and responsibilities”; and

(4) by striking “remains with the Director” and inserting “are clearly delineated”.

(b) CONFORMING AMENDMENT.—Subsection (a) of such section is amended by striking “a Department of Defense missile defense program described in subsection (b)” and inserting “the integration of a ballistic missile defense element into the overall ballistic missile defense architecture”.

Subtitle D—Other Matters

SEC. 231. GLOBAL RESEARCH WATCH PROGRAM IN THE OFFICE OF THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING.

(a) PROGRAM REQUIRED.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2364 the following new section:

“§ 2365. Global Research Watch Program

“(a) PROGRAM.—The Director of Defense Research and Engineering shall carry out a Global Research Watch program in accordance with this section.

“(b) PROGRAM GOALS.—The goals of the program are as follows:

“(1) To monitor and analyze the basic and applied research activities and capabilities of foreign nations in areas of military interest, including allies and competitors.

“(2) To provide standards for comparison and comparative analysis of research capabilities of foreign nations in relation to the research capabilities of the United States.

"(3) To assist Congress and Department of Defense officials in making investment decisions for research in technical areas where the United States may not be the global leader.

"(4) To identify areas where significant opportunities for cooperative research may exist.

"(5) To coordinate and promote the international cooperative research and analysis activities of each of the armed forces and Defense Agencies.

"(6) To establish and maintain an electronic database on international research capabilities, comparative assessments of capabilities, cooperative research opportunities, and ongoing cooperative programs.

"(c) FOCUS OF PROGRAM.—The program shall be focused on research and technologies at a technical maturity level equivalent to Department of Defense basic and applied research programs.

"(d) COORDINATION.—(1) The Director shall coordinate the program with the international cooperation and analysis activities of the military departments and Defense Agencies.

"(2) The Secretaries of the military departments and the directors of the Defense Agencies shall provide the Director of Defense Research and Engineering such assistance as the Director may require for purposes of the program.

"(e) CLASSIFICATION OF DATABASE INFORMATION.—Information in electronic databases of the Global Research Watch program shall be maintained in unclassified form and, as determined necessary by the Director, in classified form in such databases.

"(f) TERMINATION.—The requirement to carry out the program under this section shall terminate on September 30, 2006.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after section 2364 the following new item:

"2365. Global Research Watch Program.".

SEC. 232. DEFENSE ADVANCED RESEARCH PROJECTS AGENCY BIENNIAL STRATEGIC PLAN.

(a) REQUIREMENT FOR PLAN.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2351 the following new section:

"§ 2352. Defense Advanced Research Projects Agency: biennial strategic plan

"(a) REQUIREMENT FOR STRATEGIC PLAN.—Every other year, and in time for submission to Congress under subsection (c), the Director of the Defense Advanced Research Projects Agency shall prepare a strategic plan for the activities of that agency.

"(b) CONTENTS.—The strategic plan required by subsection (a) shall include the following matters:

"(1) The long-term strategic goals of that agency.

"(2) Identification of the research programs of that agency that support—

"(A) achievement of those strategic goals; and

"(B) exploitation of opportunities that hold the potential for yielding significant military benefits.

"(3) The connection of the activities and programs of that agency to activities and missions of the armed forces.

"(4) A technology transition strategy for the programs of that agency.

"(5) A description of the policies of that agency on the management, organization, and personnel of that agency.

"(c) SUBMISSION OF PLAN TO CONGRESS.—The Secretary of Defense shall submit to Congress the strategic plan most recently prepared under subsection (a) at the same time that the President submits to Congress the budget for an even-numbered fiscal year under section 1105(a) of title 31.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2351 the following new item:

"2352. Defense Advanced Research Projects Agency: biennial strategic plan.".

SEC. 233. ENHANCEMENT OF AUTHORITY OF SECRETARY OF DEFENSE TO SUPPORT SCIENCE, MATHEMATICS, ENGINEERING, AND TECHNOLOGY EDUCATION.

Section 2192 of title 10, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection (b):

"(b)(1) In furtherance of the authority of the Secretary of Defense under any provision of this chapter or any other provision of law to support educational programs in science, mathematics, engineering, and technology, the Secretary of Defense may, unless otherwise specified in such provision—

"(A) enter into contracts and cooperative agreements with eligible entities;

"(B) make grants of financial assistance to eligible entities;

"(C) provide cash awards and other items to eligible entities;

"(D) accept voluntary services from eligible entities; and

"(E) support national competition judging, other educational event activities, and associated award ceremonies in connection with these educational programs.

"(2) In this subsection:

"(A) The term 'eligible entity' includes a department or agency of the Federal Government, a State, a political subdivision of a State, an individual, and a not-for-profit or other organization in the private sector.

"(B) The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and any other territory or possession of the United States.".

SEC. 234. DEPARTMENT OF DEFENSE PROGRAM TO EXPAND HIGH-SPEED, HIGH-BANDWIDTH CAPABILITIES FOR NETWORK-CENTRIC OPERATIONS.

10 USC 2358 note.

(a) IN GENERAL.—The Secretary of Defense shall carry out a program of research and development to promote the development of high-speed, high-bandwidth communications capabilities for support of network-centric operations by the Armed Forces.

(b) PURPOSES.—The purposes of the program required by subsection (a) are as follows:

(1) To accelerate the development and fielding by the Armed Forces of network-centric operational capabilities (including expanded use of unmanned vehicles, satellite communications, and sensors) through the promotion of research and

development, and the focused coordination of programs, to achieve high-speed, high-bandwidth connectivity to military assets.

(2) To provide for the development of equipment and technologies for military high-speed, high-bandwidth communications capabilities for support of network-centric operations.

(c) DESCRIPTION OF PROGRAM.—In carrying out the program of research and development required by subsection (a), the Secretary shall—

(1) identify areas of advanced wireless communications in which research and development, or the use of emerging technologies, has significant potential to improve the performance, efficiency, cost, and flexibility of advanced communications systems for support of network-centric operations;

(2) develop a coordinated plan for research and development on—

(A) improved spectrum access through spectrum-efficient communications for support of network-centric operations;

(B) high-speed, high-bandwidth communications;

(C) networks, including complex ad hoc adaptive network structures;

(D) communications devices, including efficient receivers and transmitters;

(E) computer software and wireless communication applications, including robust security and encryption; and

(F) any other matters that the Secretary considers appropriate for the purposes described in subsection (b);

(3) ensure joint research and development, and promote joint systems acquisition and deployment, among the military departments and defense agencies, including the development of common cross-service technology requirements and doctrine, so as to enhance interoperability among the military services and defense agencies;

(4) conduct joint experimentation among the Armed Forces, and coordinate with the Joint Forces Command, on experimentation to support the development of network-centric warfare capabilities from the operational to the small unit level in the Armed Forces;

(5) consult with other Federal entities and with private industry to develop cooperative research and development efforts, to the extent that such efforts are practicable.

(d) REPORT.—(1) The Secretary shall submit to the congressional defense committees, together with the budget justification materials submitted to Congress in support of the Department of Defense budget for fiscal year 2006 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code), a report on the activities carried out under this section through the date on which the report is submitted.

(2) The report under paragraph (1) shall include the following:

(A) A description of the research and development activities carried out under subsection (a), including the particular activities carried out under the plan required by subsection (c)(2).

(B) Current and proposed funding for the particular activities carried out under that plan, as set forth in each of subparagraphs (A) through (F) of subsection (c)(2).

(C) A description of the joint research and development activities required by subsection (c)(3).

(D) A description of the joint experimentation activities required by subsection (c)(4).

(E) An analysis of the effects on recent military operations of limitations on communications bandwidth and access to radio frequency spectrum.

(F) An assessment of the effect of additional resources on the ability to achieve the purposes described in subsection (b).

(G) Such recommendations for additional activities under this section as the Secretary considers appropriate to meet the purposes described in subsection (b).

SEC. 235. BLUE FORCES TRACKING INITIATIVE.

(a) GOAL.—It shall be a goal of the Department of Defense to coordinate fully the various efforts of the Chairman of the Joint Chiefs of Staff, the commanders of the combatant commands, and the Secretaries of the military departments to develop an effective system for tracking of United States and other friendly forces (known as "blue forces") during combat operations.

(b) JOINT BLUE FORCES TRACKING EXPERIMENT.—(1) The Secretary of Defense, acting through the commander of the United States Joint Forces Command, shall carry out a joint experiment during fiscal year 2004 to demonstrate and evaluate available joint blue forces tracking technologies.

(2) The objectives of the experiment under paragraph (1) are as follows:

(A) To explore various options for tracking United States and other friendly forces during combat operations.

(B) To determine an optimal, achievable, and upgradable solution for the development, acquisition, and fielding of a system for tracking all United States military forces that is coordinated and interoperable and also accommodates the participation of military forces of allied nations with United States forces in combat operations.

Deadline.

(c) REPORT.—Not later than 60 days after the conclusion of the experiment under subsection (b), but not later than December 1, 2004, the Secretary shall submit to the congressional defense committees a report on the results of the experiment, together with a comprehensive plan for the development, acquisition, and fielding of a functional, near real-time blue forces tracking system.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

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Sec. 302. Working capital funds.
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Subtitle B—Environmental Provisions

Sec. 311. Reauthorization and modification of title I of Sikes Act.
Sec. 312. Clarification of Department of Defense response to environmental emergencies.
Sec. 313. Repeal of authority to use environmental restoration account funds for relocation of a contaminated facility.
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Sec. 315. Inclusion of environmental response equipment and services in Navy definitions of salvage facilities and salvage services.
Sec. 316. Repeal of model program for base closure environmental restoration.
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Sec. 318. Military readiness and conservation of protected species.
Sec. 319. Military readiness and marine mammal protection.
Sec. 320. Report regarding impact of civilian community encroachment and certain legal requirements on military installations and ranges and plan to address encroachment.
Sec. 321. Cooperative water use management related to Fort Huachuca, Arizona, and Sierra Vista subwatershed.
Sec. 322. Task force on resolution of conflict between military training and endangered species protection at Barry M. Goldwater Range, Arizona.
Sec. 323. Public health assessment of exposure to perchlorate.
Sec. 324. Comptroller General review of Arctic Military Environmental Cooperation program.

Subtitle C—Workplace and Depot Issues

Sec. 331. Exemption of certain firefighting service contracts from prohibition on contracts for performance of firefighting functions.
Sec. 332. Technical amendment relating to closure of Sacramento Army Depot, California.
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Sec. 334. Resources-based schedules for completion of public-private competitions for performance of Department of Defense functions.
Sec. 335. Delayed implementation of revised Office of Management and Budget Circular A–76 by Department of Defense pending report.
Sec. 336. Pilot program for best-value source selection for performance of information technology services.
Sec. 337. High-performing organization business process reengineering pilot program.
Sec. 338. Naval Aviation Depots multi-trades demonstration project.

Subtitle D—Other Matters

Sec. 341. Cataloging and standardization for defense supply management.
Sec. 342. Sale of Defense Information Systems Agency services to contractors performing the Navy-Marine Corps Intranet contract.
Sec. 343. Permanent authority for purchase of certain municipal services at installations in Monterey County, California.
Sec. 344. Department of Defense telecommunications benefit.
Sec. 345. Independent assessment of material condition of the KC–135 aerial refueling fleet.

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $24,627,037,000.
(2) For the Navy, $27,975,559,000.
(3) For the Marine Corps, $3,426,056,000.
(4) For the Air Force, $26,089,670,000.
(5) For Defense-wide activities, $16,243,157,000.
(6) For the Army Reserve, $1,966,009,000.
(7) For the Naval Reserve, $1,171,921,000.
(8) For the Marine Corps Reserve, $173,952,000.
(9) For the Air Force Reserve, $2,179,188,000.
(10) For the Army National Guard, $4,256,331,000.
(11) For the Air National Guard, $4,406,146,000.

(12) For the United States Court of Appeals for the Armed Forces, $10,333,000.

(13) For Environmental Restoration, Army, $396,018,000.

(14) For Environmental Restoration, Navy, $256,153,000.

(15) For Environmental Restoration, Air Force, $384,307,000.

(16) For Environmental Restoration, Defense-wide, $24,081,000.

(17) For Environmental Restoration, Formerly Used Defense Sites, $252,619,000.

(18) For Overseas Humanitarian, Disaster, and Civic Aid programs, $59,000,000.

(19) For Cooperative Threat Reduction programs, $450,800,000.

(20) Overseas Contingencies Program, $5,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $632,261,000.

(2) For the National Defense Sealift Fund, $1,062,762,000.

(3) For the Defense Commissary Agency Working Capital Fund, $1,089,246,000.

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for the Defense Health Program, $15,401,509,000, of which—

(1) $15,007,887,000 is for Operation and Maintenance;

(2) $65,796,000 is for Research, Development, Test, and Evaluation; and

(3) $327,826,000 is for Procurement.

(b) CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.—(1) Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for Chemical Agents and Munitions Destruction, Defense, $1,530,261,000, of which—

(A) $1,199,168,000 is for Operation and Maintenance;

(B) $251,881,000 is for Research, Development, Test, and Evaluation; and

(C) $79,212,000 is for Procurement.

(2) Amounts authorized to be appropriated under paragraph (1) are authorized for—

(A) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(B) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

(c) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, $817,371,000.

(d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, $162,449,000, of which—

(1) $160,049,000 is for Operation and Maintenance;

(2) $2,100,000 is for Research, Development, Test, and Evaluation; and

(3) $300,000 is for Procurement.

Subtitle B—Environmental Provisions

SEC. 311. REAUTHORIZATION AND MODIFICATION OF TITLE I OF SIKES ACT.

(a) REAUTHORIZATION.—Section 108 of the Sikes Act (16 U.S.C. 670f) is amended by striking “fiscal years 1998 through 2003” each place it appears and inserting “fiscal years 2004 through 2008”.

(b) SENSE OF CONGRESS REGARDING SECTION 107.—(1) Congress finds the following:

(A) The Department of Defense maintains over 25,000,000 acres of valuable fish and wildlife habitat on approximately 400 military installations nationwide.

(B) These lands contain a wealth of plant and animal life, vital wetlands for migratory birds, and nearly 300 federally listed threatened species and endangered species.

(C) Increasingly, land surrounding military bases are being developed with residential and commercial infrastructure that fragments fish and wildlife habitat and decreases its ability to support a diversity of species.

(D) Comprehensive conservation plans, such as integrated natural resource management plans under the Sikes Act (16 U.S.C. 670 et seq.), can ensure that these ecosystem values can be protected and enhanced while allowing these lands to meet the needs of military operations.

(E) Section 107 of the Sikes Act (16 U.S.C. 670e–2) requires sufficient numbers of professionally trained natural resources management personnel and natural resources law enforcement personnel to be available and assigned responsibility to perform tasks necessary to carry out title I of the Sikes Act, including the preparation and implementation of integrated natural resource management plans.

(F) Managerial and policymaking functions performed by Department of Defense on-site professionally trained natural resource management personnel on military installations are appropriate governmental functions.

(G) Professionally trained civilian biologists in permanent Federal Government career managerial positions are essential to oversee fish and wildlife and natural resource conservation programs and are essential to the conservation of wildlife species on military land.

(2) It is the sense of Congress that the Secretary of Defense should take whatever steps are necessary to ensure that section 107 of the Sikes Act (16 U.S.C. 670e–2) is fully implemented consistent with the findings made in paragraph (1).

(c) PILOT PROGRAM.—(1) Section 101 of the Sikes Act (16 U.S.C. 670a) is amended by adding at the end the following new subsection:

"(g) PILOT PROGRAM FOR INVASIVE SPECIES MANAGEMENT FOR MILITARY INSTALLATIONS IN GUAM.—

"(1) INCLUSION OF INVASIVE SPECIES MANAGEMENT.—During fiscal years 2004 through 2008, the Secretary of Defense shall, to the extent practicable and conducive to military readiness, incorporate in integrated natural resources management plans for military installations in Guam the management, control, and eradication of invasive species—

"(A) that are not native to the ecosystem of the military installation; and

"(B) the introduction of which cause or may cause harm to military readiness, the environment, or human health and safety.

"(2) CONSULTATION.—The Secretary of Defense shall carry out this subsection in consultation with the Secretary of the Interior.".

Applicability. 10 USC 670a note.

(2) Section 101(g) of the Sikes Act, as added by paragraph (1), shall apply—

(A) to any integrated natural resources management plan prepared for a military installation in Guam under section 101(a)(1) of such Act on or after the date of the enactment of this Act; and

Effective date.

(B) effective March 1, 2004, to any integrated natural resources management plan prepared for a military installation in Guam under such section before the date of the enactment of this Act.

SEC. 312. CLARIFICATION OF DEPARTMENT OF DEFENSE RESPONSE TO ENVIRONMENTAL EMERGENCIES.

(a) TRANSPORTATION OF HUMANITARIAN RELIEF SUPPLIES TO RESPOND TO ENVIRONMENTAL EMERGENCIES.—Section 402 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

"(d)(1) The Secretary of Defense may use the authority provided by subsection (a) to transport supplies intended for use to respond to, or mitigate the effects of, an event or condition, such as an oil spill, that threatens serious harm to the environment, but only if other sources to provide such transportation are not readily available.

"(2) Notwithstanding subsection (a), the Secretary of Defense may require reimbursement for costs incurred by the Department of Defense to transport supplies under this subsection.".

(b) CONDITIONS ON PROVISION OF TRANSPORTATION.—Subsection (b) of such section is amended—

(1) in paragraph (1)(C), by inserting "or entity" after "people";

(2) in paragraph (1)(E), by inserting "or use" after "distribution"; and

(3) in paragraph (3), by striking "donor to ensure that supplies to be transported under this section" and inserting "entity requesting the transport of supplies under this section to ensure that the supplies".

(c) PROVISION OF DISASTER ASSISTANCE.—Section 404 of such title is amended—

(1) in subsection (a), by inserting "or serious harm to the environment" after "loss of lives";

(2) in subsection (c)(2), by inserting "or the environment" after "human lives"; and

(3) by adding at the end the following new subsection:

"(e) LIMITATION ON TRANSPORTATION ASSISTANCE.—Transportation services authorized under subsection (b) may be provided in response to a manmade or natural disaster to prevent serious harm to the environment, when human lives are not at risk, only if other sources to provide such transportation are not readily available.".

(d) PROVISION OF HUMANITARIAN ASSISTANCE.—Section 2561(a) of such title is amended—

(1) by inserting "(1)" before "To the extent"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary of Defense may use the authority provided by paragraph (1) to transport supplies intended for use to respond to, or mitigate the effects of, an event or condition, such as an oil spill, that threatens serious harm to the environment, but only if other sources to provide such transportation are not readily available. The Secretary may require reimbursement for costs incurred by the Department of Defense to transport supplies under this paragraph.".

SEC. 313. REPEAL OF AUTHORITY TO USE ENVIRONMENTAL RESTORATION ACCOUNT FUNDS FOR RELOCATION OF A CONTAMINATED FACILITY.

Effective date.
10 USC 2703 note.

(a) REPEAL.—Effective October 1, 2003, section 2703(c) of title 10, United States Code, is amended—

(1) in paragraph (1) by striking "only—" and all that follows through the period at the end and inserting "only to carry out the environmental restoration functions of the Secretary of Defense and the Secretaries of the military departments under this chapter and under any other provision of law.";

(2) by striking paragraphs (2) and (3); and

(3) by redesignating paragraph (4) as paragraph (2) and striking the second sentence of such paragraph.

10 USC 2703 note.

(b) EFFECT OF REPEAL ON EXISTING AGREEMENTS.—An agreement in effect on September 30, 2003, under section 2703(c)(1)(B) of title 10, United States Code, as in effect on that date, to pay for the costs of permanently relocating a facility because of a release or threatened release of hazardous substances, pollutants, or contaminants shall remain in effect after that date, subject to the terms of the agreement, and costs may be paid in accordance with the terms of the agreement, notwithstanding the amendments made by subsection (a).

SEC. 314. AUTHORIZATION FOR DEPARTMENT OF DEFENSE PARTICIPATION IN WETLAND MITIGATION BANKS.

(a) DOD PARTICIPATION.—(1) Chapter 159 of title 10, United States Code, is amended by inserting after section 2694a the following new section:

"§ 2694b. Participation in wetland mitigation banks

"(a) AUTHORITY TO PARTICIPATE.—The Secretary of a military department, and the Secretary of Defense with respect to matters concerning a Defense Agency, when engaged in an authorized activity that may or will result in the destruction of, or an adverse impact to, a wetland, may make payments to a wetland mitigation banking program or 'in-lieu-fee' mitigation sponsor approved in accordance with the Federal Guidance for the Establishment, Use and Operation of Mitigation Banks (60 Fed. Reg. 58605; November 28, 1995) or the Federal Guidance on the Use of In-Lieu-Fee Arrangements for Compensatory Mitigation Under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act (65 Fed. Reg. 66913; November 7, 2000), or any successor administrative guidance or regulation.

"(b) ALTERNATIVE TO CREATION OF WETLAND.—Participation in a wetland mitigation banking program or consolidated user site under subsection (a) shall be in lieu of mitigating wetland impacts through the creation of a wetland on Federal property.

"(c) TREATMENT OF PAYMENTS.—Payments made under subsection (a) to a wetland mitigation banking program or consolidated user site may be treated as eligible project costs for military construction.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2694a the following new item:

"2694b. Participation in wetland mitigation banks.".

33 USC 1344 note.

(b) MITIGATION AND MITIGATION BANKING REGULATIONS.—(1) To ensure opportunities for Federal agency participation in mitigation banking, the Secretary of the Army, acting through the Chief of Engineers, shall issue regulations establishing performance standards and criteria for the use, consistent with section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344), of on-site, off-site, and in-lieu fee mitigation and mitigation banking as compensation for lost wetlands functions in permits issued by the Secretary of the Army under such section. To the maximum extent practicable, the regulatory standards and criteria shall maximize available credits and opportunities for mitigation, provide flexibility for regional variations in wetland conditions, functions and values, and apply equivalent standards and criteria to each type of compensatory mitigation.

Deadline.

(2) Final regulations shall be issued not later than two years after the date of the enactment of this Act.

SEC. 315. INCLUSION OF ENVIRONMENTAL RESPONSE EQUIPMENT AND SERVICES IN NAVY DEFINITIONS OF SALVAGE FACILITIES AND SALVAGE SERVICES.

(a) SALVAGE FACILITIES.—Section 7361 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) SALVAGE FACILITIES DEFINED.—In this section, the term 'salvage facilities' includes equipment and gear utilized to prevent, abate, or minimize damage to the environment.".

(b) SETTLEMENT OF CLAIMS FOR SALVAGE SERVICES.—Section 7363 of such title is amended—

(1) by inserting "(a) AUTHORITY TO SETTLE CLAIM.—" before "The Secretary"; and

(2) by adding at the end the following new subsection:

"(b) SALVAGE SERVICES DEFINED.—In this section, the term 'salvage services' includes services performed in connection with a marine salvage operation that are intended to prevent, abate, or minimize damage to the environment.”.

SEC. 316. REPEAL OF MODEL PROGRAM FOR BASE CLOSURE ENVIRONMENTAL RESTORATION.

Section 2926 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2687 note) is repealed.

10 USC 2705 note.

SEC. 317. REQUIREMENTS FOR RESTORATION ADVISORY BOARDS AND EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.

(a) MEMBERSHIP AND MEETING REQUIREMENTS FOR RESTORATION ADVISORY BOARDS.—The Secretary of Defense shall amend the regulations required by section 2705(d)(2) of title 10, United States Code, relating to the establishment, characteristics, composition, and funding of restoration advisory boards to ensure that each restoration advisory board complies with the following requirements:

(1) Each restoration advisory board shall be fairly balanced in its membership in terms of the points of view represented and the functions to be performed.

(2) Unless a closed or partially closed meeting is determined to be proper in accordance with one or more of the exceptions listed in section 552b(c) of title 5, United States Code, each meeting of a restoration advisory board shall be—

(A) held at a reasonable time and in a manner or place reasonably accessible to the public, including individuals with disabilities; and

(B) open to the public.

Notice. Publication.

(3) Timely notice of each meeting of a restoration advisory board shall be published in a local newspaper of general circulation.

(4) Interested persons may appear before or file statements with a restoration advisory board, subject to such reasonable restrictions as the Secretary may prescribe.

(5) Subject to section 552 of title 5, United States Code, the records, reports, minutes, appendixes, working papers, drafts, studies, agenda, or other documents that were made available to, prepared for, or prepared by each restoration advisory board shall be available for public inspection and copying at a single, publicly accessible location, such as a public library or an appropriate office of the military installation for which the restoration advisory board is established, at least until the restoration advisory board is terminated.

(6) Detailed minutes of each meeting of each restoration advisory board shall be kept and shall contain a record of the persons present, a complete and accurate description of matters discussed and conclusions reached, and copies of all reports received, issued, or approved by the restoration advisory board. The accuracy of the minutes of a restoration advisory board shall be certified by the chairperson of the board.

(b) FACA EXEMPTION.—Section 2705(d)(2) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

“(C) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to a restoration advisory board established under this subsection.”.

SEC. 318. MILITARY READINESS AND CONSERVATION OF PROTECTED SPECIES.

(a) LIMITATION ON DESIGNATION OF CRITICAL HABITAT.—Section 4(a)(3) of the Endangered Species Act of 1973 (16 U.S.C. 1533(a)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting "(A)" after "(3)"; and

(3) by adding at the end the following:

"(B)(i) The Secretary shall not designate as critical habitat any lands or other geographical areas owned or controlled by the Department of Defense, or designated for its use, that are subject to an integrated natural resources management plan prepared under section 101 of the Sikes Act (16 U.S.C. 670a), if the Secretary determines in writing that such plan provides a benefit to the species for which critical habitat is proposed for designation.

"(ii) Nothing in this paragraph affects the requirement to consult under section 7(a)(2) with respect to an agency action (as that term is defined in that section).

"(iii) Nothing in this paragraph affects the obligation of the Department of Defense to comply with section 9, including the prohibition preventing extinction and taking of endangered species and threatened species.".

(b) CONSIDERATION OF EFFECTS OF DESIGNATION OF CRITICAL HABITAT.—Section 4(b)(2) of the Endangered Species Act of 1973 (16 U.S.C. 1533(b)(2)) is amended by inserting "the impact on national security," after "the economic impact,".

SEC. 319. MILITARY READINESS AND MARINE MAMMAL PROTECTION.

(a) DEFINITION OF HARASSMENT FOR MILITARY READINESS ACTIVITIES.—Section 3(18) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362(18)) is amended by striking subparagraphs (B) and (C) and inserting the following new subparagraphs:

"(B) In the case of a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note) or a scientific research activity conducted by or on behalf of the Federal Government consistent with section 104(c)(3), the term 'harassment' means—

"(i) any act that injures or has the significant potential to injure a marine mammal or marine mammal stock in the wild; or

"(ii) any act that disturbs or is likely to disturb a marine mammal or marine mammal stock in the wild by causing disruption of natural behavioral patterns, including, but not limited to, migration, surfacing, nursing, breeding, feeding, or sheltering, to a point where such behavioral patterns are abandoned or significantly altered.

"(C) The term 'Level A harassment' means harassment described in subparagraph (A)(i) or, in the case of a military readiness activity or scientific research activity described in subparagraph (B), harassment described in subparagraph (B)(i).

"(D) The term 'Level B harassment' means harassment described in subparagraph (A)(ii) or, in the case of a military readiness activity or scientific research activity described in subparagraph (B), harassment described in subparagraph (B)(ii).".

(b) EXEMPTION OF ACTIONS NECESSARY FOR NATIONAL DEFENSE.—Section 101 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371) is amended by inserting after subsection (e) the following:

"(f) EXEMPTION OF ACTIONS NECESSARY FOR NATIONAL DEFENSE.—(1) The Secretary of Defense, after conferring with the Secretary of Commerce, the Secretary of the Interior, or both, as appropriate, may exempt any action or category of actions undertaken by the Department of Defense or its components from compliance with any requirement of this Act, if the Secretary determines that it is necessary for national defense.

"(2) An exemption granted under this subsection—

"(A) subject to subparagraph (B), shall be effective for a period specified by the Secretary of Defense; and

Deadline.

"(B) shall not be effective for more than 2 years.

"(3)(A) The Secretary of Defense may issue additional exemptions under this subsection for the same action or category of actions, after—

"(i) conferring with the Secretary of Commerce, the Secretary of the Interior, or both as appropriate; and

"(ii) making a new determination that the additional exemption is necessary for national defense.

Deadline.

"(B) Each additional exemption under this paragraph shall be effective for a period specified by the Secretary of Defense, of not more than 2 years.

Deadline.

"(4) Not later than 30 days after issuing an exemption under paragraph (1) or an additional exemption under paragraph (3), the Secretary of Defense shall submit to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate notice describing the exemption and the reasons therefor. The notice may be provided in classified form if the Secretary of Defense determines that use of the classified form is necessary for reasons of national security.".

(c) INCIDENTAL TAKINGS OF MARINE MAMMALS IN MILITARY READINESS ACTIVITIES.—Section 101(a)(5) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(5)) is amended—

(1) in subparagraph (A)—

(A) by redesignating clauses (i) and (ii) and subclauses (I) and (II) as subclauses (I) and (II) and items (aa) and (bb), respectively;

(B) by inserting "(i)" after "(5)(A)"; and

(C) by adding at the end the following new clauses:

"(ii) For a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note), a determination of 'least practicable adverse impact on such species or stock' under clause (i)(II)(aa) shall include consideration of personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity. Before making the required determination, the Secretary shall consult with the Department of Defense regarding personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity.

Federal Register, publication.

"(iii) Notwithstanding clause (i), for any authorization affecting a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note), the Secretary shall publish the notice required by such clause only in the Federal Register.";

(2) in subparagraph (D), by adding at the end the following new clauses:

"(vi) For a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note), a determination of 'least practicable adverse impact on such species or stock' under clause (i)(I) shall include consideration of personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity. Before making the required determination, the Secretary shall consult with the Department of Defense regarding personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity.

Federal Register, publication.

"(vii) Notwithstanding clause (iii), for any authorization affecting a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note), the Secretary shall publish the notice required by such clause only in the Federal Register."; and

(3) by adding at the end the following new subparagraph:

"(F) Notwithstanding the provisions of this subsection, any authorization affecting a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note) shall not be subject to the following requirements:

"(i) In subparagraph (A), 'within a specified geographical region' and 'within that region of small numbers'.

"(ii) In subparagraph (B), 'within a specified geographical region' and 'within one or more regions'.

"(iii) In subparagraph (D), 'within a specific geographic region', 'of small numbers', and 'within that region'.".

10 USC 113 note.

SEC. 320. REPORT REGARDING IMPACT OF CIVILIAN COMMUNITY ENCROACHMENT AND CERTAIN LEGAL REQUIREMENTS ON MILITARY INSTALLATIONS AND RANGES AND PLAN TO ADDRESS ENCROACHMENT.

(a) Study Required.—The Secretary of Defense shall conduct a study on the impact, if any, of the following types of encroachment issues affecting military installations and operational ranges:

(1) Civilian community encroachment on those military installations and ranges whose operational training activities, research, development, test, and evaluation activities, or other operational, test and evaluation, maintenance, storage, disposal, or other support functions require, or in the future reasonably may require, safety or operational buffer areas. The requirement for such a buffer area may be due to a variety of factors, including air operations, ordnance operations and storage, or other activities that generate or might generate noise, electromagnetic interference, ordnance arcs, or environmental impacts that require or may require safety or operational buffer areas.

(2) Compliance by the Department of Defense with State Implementation Plans for Air Quality under section 110 of the Clean Air Act (42 U.S.C. 7410).

(3) Compliance by the Department of Defense with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(b) Matters To Be Included With Respect to Civilian Community Encroachments.—With respect to paragraph (1) of subsection (a), the study shall include the following:

(1) A list of all military installations described in subsection (a)(1) at which civilian community encroachment is occurring.

(2) A description and analysis of the types and degree of such civilian community encroachment at each military installation included on the list.

(3) An analysis, including views and estimates of the Secretary of Defense, of the current and potential future impact of such civilian community encroachment on operational training activities, research, development, test, and evaluation activities, and other significant operational, test and evaluation, maintenance, storage, disposal, or other support functions performed by military installations included on the list. The analysis shall include the following:

(A) A review of training and test ranges at military installations, including laboratories and technical centers of the military departments, included on the list.

(B) A description and explanation of the trends of such encroachment, as well as consideration of potential future readiness problems resulting from unabated encroachment.

(4) An estimate of the costs associated with current and anticipated partnerships between the Department of Defense and non-Federal entities to create buffer zones to preclude further development around military installations included on the list, and the costs associated with the conveyance of surplus property around such military installations for purposes of creating buffer zones.

(5) Options and recommendations for possible legislative or budgetary changes necessary to mitigate current and anticipated future civilian community encroachment problems.

(c) MATTERS TO BE INCLUDED WITH RESPECT TO COMPLIANCE WITH SPECIFIED LAWS.—With respect to paragraphs (2) and (3) of subsection (a), the study shall include the following:

(1) A list of all military installations and other locations at which the Armed Forces are encountering problems related to compliance with the laws specified in such paragraphs.

(2) A description and analysis of the types and degree of compliance problems encountered.

(3) An analysis, including views and estimates of the Secretary of Defense, of the current and potential future impact of such compliance problems on the following functions performed at military installations:

(A) Operational training activities.

(B) Research, development, test, and evaluation activities.

(C) Other significant operational, test and evaluation, maintenance, storage, disposal, or other support functions.

(4) A description and explanation of the trends of such compliance problems, as well as consideration of potential future readiness problems resulting from such compliance problems.

(d) PLAN TO RESPOND TO ENCROACHMENT ISSUES.—On the basis of the study conducted under subsection (a), including the specific matters required to be addressed by subsections (b) and (c), the Secretary of Defense shall prepare a plan to respond to the encroachment issues described in subsection (a) affecting military installations and operational ranges.

(e) REPORTING REQUIREMENTS.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives the following reports regarding the study conducted under subsection (a), including the specific matters required to be addressed by subsections (b) and (c):

(1) Not later than January 31, 2004, an interim report describing the progress made in conducting the study and containing the information collected under the study as of that date. Deadline.

(2) Not later than January 31, 2006, a report containing the results of the study and the encroachment response plan required by subsection (d). Deadline.

(3) Not later than January 31, 2007, and each January 31 thereafter through January 31, 2010, a report describing the progress made in implementing the encroachment response plan. Deadlines.

SEC. 321. COOPERATIVE WATER USE MANAGEMENT RELATED TO FORT HUACHUCA, ARIZONA, AND SIERRA VISTA SUBWATERSHED.

(a) LIMITATION ON FEDERAL RESPONSIBILITY FOR CIVILIAN WATER CONSUMPTION IMPACTS.—

(1) LIMITATION.—For purposes of section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536), concerning any present and future Federal agency action at Fort Huachuca, Arizona, water consumption by State, local, and private entities off of the installation that is not a direct or indirect effect of the agency action or an effect of other activities that are interrelated or interdependent with that agency action, shall not be considered in determining whether such agency action is likely to jeopardize the continued existence of any endangered or threatened species or result in the destruction or adverse modification of designated critical habitat.

(2) VOLUNTARY REGIONAL CONSERVATION EFFORTS.—Nothing in this subsection shall prohibit Federal agencies operating at Fort Huachuca from voluntarily undertaking efforts to mitigate water consumption.

(3) DEFINITION OF WATER CONSUMPTION.—In this subsection, the term "water consumption" means all water use off of the installation from any source.

(4) EFFECTIVE DATE.—This subsection applies only to Federal agency actions regarding which the Federal agency involved determines that consultation, or reinitiation of consultation, under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) is required with regard to an agency action at Fort Huachuca on or after the date of the enactment of this Act.

(b) RECOGNITION OF UPPER SAN PEDRO PARTNERSHIP.—Congress hereby recognizes the Upper San Pedro Partnership, Arizona, a partnership of Fort Huachuca, Arizona, other Federal, State, and local governmental and nongovernmental entities, and its efforts to establish a collaborative water use management program in the Sierra Vista Subwatershed, Arizona, to achieve the sustainable yield of the regional aquifer, so as to protect the Upper San Pedro River, Arizona, and the San Pedro Riparian National Conservation Area, Arizona. Arizona.

(c) REPORT ON WATER USE MANAGEMENT AND CONSERVATION OF REGIONAL AQUIFER.—

(1) IN GENERAL.—The Secretary of the Interior shall prepare, in consultation with the Secretary of Agriculture and the Secretary of Defense and in cooperation with the other members of the Partnership, a report on the water use management and conservation measures that have been implemented and are needed to restore and maintain the sustainable yield of the regional aquifer by and after September 30, 2011. The Secretary of the Interior shall submit the report to Congress not later than December 31, 2004.

Deadline.

(2) PURPOSE.—The purpose of the report is to set forth measurable annual goals for the reduction of the overdrafts of the groundwater of the regional aquifer, to identify specific water use management and conservation measures to facilitate the achievement of such goals, and to identify impediments in current Federal, State, and local laws that hinder efforts on the part of the Partnership to mitigate water usage in order to restore and maintain the sustainable yield of the regional aquifer by and after September 30, 2011.

(3) REPORT ELEMENTS.—The report shall use data from existing and ongoing studies and include the following elements:

(A) The net quantity of water withdrawn from and recharged to the regional aquifer in the one-year period preceding the date of the submission of the report.

(B) The quantity of the overdraft of the regional aquifer to be reduced by the end of each of fiscal years 2005 through 2011 to achieve sustainable yield.

(C) With respect to the reduction of overdraft for each fiscal year as specified under subparagraph (B), an allocation of responsibility for the achievement of such reduction among the water-use controlling members of the Partnership who have the authority to implement measures to achieve such reduction.

(D) The water use management and conservation measures to be undertaken by each water-use controlling member of the Partnership to contribute to the reduction of the overdraft for each fiscal year as specified under subparagraph (B), and to meet the responsibility of each such member for each such reduction as allocated under subparagraph (C), including—

(i) a description of each measure;

(ii) the cost of each measure;

(iii) a schedule for the implementation of each measure;

(iv) a projection by fiscal year of the amount of the contribution of each measure to the reduction of the overdraft; and

(v) a list of existing laws that impede full implementation of any measure.

(E) The monitoring and verification activities to be undertaken by the Partnership to measure the reduction of the overdraft for each fiscal year and the contribution of each member of the Partnership to the reduction of the overdraft.

(d) ANNUAL REPORT ON PROGRESS TOWARD SUSTAINABLE YIELD.—

Deadlines.

(1) IN GENERAL.—Not later than October 31, 2005, and each October 31 thereafter through 2011, the Secretary of the Interior shall submit, on behalf of the Partnership, to Congress a report on the progress of the Partnership during the preceding fiscal year toward achieving and maintaining the sustainable yield of the regional aquifer by and after September 30, 2011.

(2) REPORT ELEMENTS.—Each report shall include the following:

(A) The quantity of the overdraft of the regional aquifer reduced during the reporting period, and whether such reduction met the goal specified for such fiscal year under subsection (c)(3)(B).

(B) The water use management and conservation measures undertaken by each water-use controlling member of the Partnership in the fiscal year covered by such report, including the extent of the contribution of such measures to the reduction of the overdraft for such fiscal year.

(C) The legislative accomplishments made during the fiscal year covered by such report in removing legal impediments that hinder the mitigation of water use by members of the Partnership.

(e) VERIFICATION INFORMATION.—Information used to verify overdraft reductions of the regional aquifer shall include at a minimum the following:

(1) The annual report of the Arizona Corporation Commission on annual groundwater pumpage of the private water companies in the Sierra Vista Subwatershed.

(2) The San Pedro base flow monitoring record of the Charleston flow gauge of the United States Geological Survey.

(3) Current surveys of the groundwater levels in area wells as reported by the Arizona Department of Water Resources and by Federal agencies.

(f) SENSE OF CONGRESS.—It is the sense of Congress that any future appropriations to the Partnership should take into account whether the Partnership has met its annual goals for overdraft reduction.

(g) DEFINITIONS.—In this section:

(1) The term "Partnership" means the Upper San Pedro Partnership, Arizona.

(2) The term "regional aquifer" means the Sierra Vista Subwatershed regional aquifer, Arizona.

(3) The term "water-use controlling member" has the meaning given that term by the Partnership.

SEC. 322. TASK FORCE ON RESOLUTION OF CONFLICT BETWEEN MILITARY TRAINING AND ENDANGERED SPECIES PROTECTION AT BARRY M. GOLDWATER RANGE, ARIZONA.

Establishment.

(a) TASK FORCE.—The Secretary of Defense shall establish a task force to determine and assess various means of resolving the conflict between the dual objectives at Barry M. Goldwater Range, Arizona, of the full utilization of live ordnance delivery areas for military training and the protection of endangered species that are present at Barry M. Goldwater Range.

(b) COMPOSITION.—The task force shall be composed of the following members:

(1) The Air Force range officer, who shall serve as chairperson of the task force.

(2) The range officer at Barry M. Goldwater Range.

(3) The commander of Luke Air Force Base, Arizona.

(4) The commander of Marine Corps Air Station, Yuma, Arizona.

(5) The Director of the United States Fish and Wildlife Service.

(6) The manager of the Cabeza Prieta National Wildlife Refuge, Arizona.

(7) A representative of the Department of Game and Fish of the State of Arizona, selected by the Secretary in consultation with the Governor of the State of Arizona.

(8) A representative of a wildlife interest group in the State of Arizona, selected by the Secretary in consultation with wildlife interest groups in the State of Arizona.

(9) A representative of an environmental interest group (other than a wildlife interest group) in the State of Arizona, as selected by the Secretary in consultation with environmental interest groups in the State of Arizona.

(c) DUTIES.—The task force shall—

(1) assess the effects of the presence of endangered species on military training activities in the live ordnance delivery areas at Barry M. Goldwater Range and in any other areas of the range that are adversely effected by the presence of endangered species;

(2) determine various means of addressing any significant adverse effects on military training activities on Barry M. Goldwater Range that are identified pursuant to paragraph (1); and

(3) determine the benefits and costs associated with the implementation of each means identified under paragraph (2).

(d) USE OF EXPERTS.—The chairperson of the task force may secure for the task force the services of such experts with respect to the duties of the task force as the chairperson considers advisable to carry out such duties.

(e) REPORT.—Not later than February 28, 2005, the task force shall submit to Congress a report containing—

(1) a description of the assessments and determinations made under subsection (c);

(2) such recommendations for legislative and administrative action as the task force considers appropriate; and

(3) an evaluation of the utility of task force proceedings as a means of resolving conflicts between military training objectives and protection of endangered species at other military training and testing ranges.

42 USC 300j–18 note.

SEC. 323. PUBLIC HEALTH ASSESSMENT OF EXPOSURE TO PERCHLORATE.

(a) EPIDEMIOLOGICAL STUDY OF EXPOSURE TO PERCHLORATE.—The Secretary of Defense shall provide for an independent epidemiological study of exposure to perchlorate in drinking water. The entity conducting the study shall—

(1) assess the incidence of thyroid disease and measurable effects of thyroid function in relation to exposure to perchlorate;

(2) ensure that the study is of sufficient scope and scale to permit the making of meaningful conclusions of the measurable public health threat associated with exposure to perchlorate, especially the threat to sensitive subpopulations; and

(3) examine thyroid function, including measurements of urinary iodine and thyroid hormone levels, in a sufficient number of pregnant women, neonates, and infants exposed to perchlorate in drinking water and match measurements of perchlorate levels in the drinking water of each study participant in order to permit the development of meaningful conclusions on the public health threat to individuals exposed to perchlorate.

(b) REVIEW OF EFFECTS OF PERCHLORATE ON ENDOCRINE SYSTEM.—The Secretary shall provide for an independent review of the effects of perchlorate on the human endocrine system. The entity conducting the review shall assess—

(1) available data on human exposure to perchlorate, including clinical data and data on exposure of sensitive subpopulations, and the levels at which health effects were observed; and

(2) available data on other substances that have endocrine effects similar to perchlorate to which the public is frequently exposed.

(c) PERFORMANCE OF STUDY AND REVIEW.—(1) The Secretary shall provide for the performance of the study under subsection (a) through the Centers for Disease Control and Prevention, the National Institutes of Health, or another Federal entity with experience in environmental toxicology selected by the Secretary.

(2) The Secretary shall provide for the performance of the review under subsection (b) through the Centers for Disease Control and Prevention, the National Institutes of Health, or another appropriate Federal research entity with experience in human endocrinology selected by the Secretary. The Secretary shall ensure that the panel conducting the review is composed of individuals with expertise in human endocrinology.

Deadline.

(d) REPORTING REQUIREMENTS.—Not later than June 1, 2005, the Federal entities conducting the study and review under this section shall submit to the Secretary reports containing the results of the study and review.

SEC. 324. COMPTROLLER GENERAL REVIEW OF ARCTIC MILITARY ENVIRONMENTAL COOPERATION PROGRAM.

(a) REQUIREMENT FOR REVIEW.—The Comptroller General shall conduct a review of the Arctic Military Environmental Cooperation program, including—

(1) the current and proposed technology development and demonstration role of the program in United States nonproliferation efforts; and

(2) the relationship of the program to the Cooperative Threat Reduction Program specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) ELEMENTS OF REVIEW.—The review shall include an assessment of the following:

(1) Whether the conditions in the Western Pacific region require an expansion of the Arctic Military Environmental Cooperation program to include that region.

(2) The extent to which foreign countries, including Russia, make financial contributions to the program.

(3) The extent to which the Cooperative Threat Reduction Program and the G–8 Global Partnership Against the Spread

of Weapons and Materials of Mass Destruction Initiative use the program.

(4) Whether the program is important to the disarmament and nonproliferation functions of the Cooperative Threat Reduction Program.

(5) Future-year funding and program plans of the Department of Defense for the program.

Deadline.

(c) REPORT ON REVIEW.—Not later than May 1, 2004, the Comptroller General shall submit to Congress a report containing the results of the review.

Subtitle C—Workplace and Depot Issues

SEC. 331. EXEMPTION OF CERTAIN FIREFIGHTING SERVICE CONTRACTS FROM PROHIBITION ON CONTRACTS FOR PERFORMANCE OF FIREFIGHTING FUNCTIONS.

(a) ADDITIONAL EXEMPTION.—Section 2465(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4) A contract for the performance of firefighting functions if the contract is—

"(A) for a period of one year or less; and

"(B) covers only the performance of firefighting functions that, in the absence of the contract, would have to be performed by members of the armed forces who are not readily available to perform such functions by reason of a deployment.".

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking "apply—" and inserting "apply to the following contracts:";

(2) by striking "to a" at the beginning of paragraphs (1), (2), and (3) and inserting "A";

(3) by striking the semicolon at the end of paragraph (1) and inserting a period; and

(4) by striking "; or" at the end of paragraph (2) and inserting a period.

SEC. 332. TECHNICAL AMENDMENT RELATING TO CLOSURE OF SACRAMENTO ARMY DEPOT, CALIFORNIA.

Section 2466 of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 333. EXCEPTION TO COMPETITION REQUIREMENT FOR DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS PERFORMED BY DEPOT-LEVEL ACTIVITIES.

Section 2469 of title 10, United States Code, is amended—

(1) in subsection (b), by striking "Subsection" and inserting "Except as provided in subsection (c), subsection";

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following new subsection (c):

"(c) EXCEPTION FOR PUBLIC-PRIVATE PARTNERSHIPS.—The requirements of subsection (a) may be waived in the case of a depot-level maintenance and repair workload that is performed at a Center of Industrial and Technical Excellence designated under subsection (a) of section 2474 of this title by a public-private partnership entered into under subsection (b) of such section consisting of a depot-level activity and a private entity.".

SEC. 334. RESOURCES-BASED SCHEDULES FOR COMPLETION OF PUBLIC-PRIVATE COMPETITIONS FOR PERFORMANCE OF DEPARTMENT OF DEFENSE FUNCTIONS.

10 USC 2304.

(a) APPLICATION OF TIMEFRAMES.—Any interim or final deadline or other schedule-related milestone for the completion of a Department of Defense public-private competition shall be established solely on the basis of considered research and sound analysis regarding the availability of sufficient personnel, training, and technical resources to the Department of Defense to carry out such competition in a timely manner.

(b) EXTENSION OF TIMEFRAMES.—(1) The Department of Defense official responsible for managing a Department of Defense public-private competition shall extend any interim or final deadline or other schedule-related milestone established (consistent with subsection (a)) for the completion of the competition if the official determines that the personnel, training, or technical resources available to the Department of Defense to carry out the competition in a timely manner are insufficient.

(2) A determination under this subsection shall be made pursuant to procedures prescribed by the Secretary of Defense.

SEC. 335. DELAYED IMPLEMENTATION OF REVISED OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A–76 BY DEPARTMENT OF DEFENSE PENDING REPORT.

10 USC 2461 note.

(a) LIMITATION PENDING REPORT.—No studies or competitions may be conducted under the policies and procedures contained in the revised Office of Management and Budget Circular A–76 dated May 29, 2003 (68 Fed. Reg. 32134), relating to the possible contracting out of commercial activities being performed, as of such date, by employees of the Department of Defense, until the end of the 45-day period beginning on the date on which the Secretary of Defense submits to Congress a report on the effects of the revisions.

(b) CONTENT OF REPORT.—The report required by subsection (a) shall contain, at a minimum, specific information regarding the following:

(1) The extent to which the revised circular will ensure that employees of the Department of Defense have the opportunity to compete to retain their jobs.

(2) The extent to which the revised circular will provide appeal and protest rights to employees of the Department of Defense.

(3) Identify safeguards in the revised circular to ensure that all public-private competitions are fair, appropriate, and comply with requirements of full and open competition.

(4) The plans of the Department to ensure an appropriate phase-in period for the revised circular, as recommended by the Commercial Activities Panel of the Government Accounting Office in its April 2002 report to Congress, including recommendations for any legislative changes that may be required to ensure a smooth and efficient phase-in period.

(5) The plans of the Department to provide training to employees of the Department of Defense regarding the revised circular, including how the training will be funded, how

employees will be selected to receive the training, and the number of employees likely to receive the training.

(6) The plans of the Department to collect and analyze data on the costs and quality of work contracted out or retained in-house as a result of a sourcing process conducted under the revised circular.

10 USC 2461 note.

SEC. 336. PILOT PROGRAM FOR BEST-VALUE SOURCE SELECTION FOR PERFORMANCE OF INFORMATION TECHNOLOGY SERVICES.

(a) Authority to Use Best-Value Criterion.—The Secretary of Defense may carry out a pilot program for the procurement of information technology services for the Department of Defense that uses a best-value criterion in the selection of the source for the performance of the information technology services.

(b) Required Examination Under Pilot Project.—Under the pilot program, the Secretary of Defense shall modify the examination otherwise required by section 2461(b)(3)(A) of title 10, United States Code, to be an examination of the performance of an information technology services function by Department of Defense civilian employees and by one or more private contractors to demonstrate whether—

(1) a change to performance by the private sector will result in the best value to the Government over the life of the contract, as determined in accordance with the competition requirements of Office of Management and Budget Circular A–76; and

(2) certain benefits exist, in addition to price, that warrant performance of the function by a private sector source at a cost higher than that of performance by Department of Defense civilian employees.

(c) Exemption for Pilot Program.—Section 2462(a) of title 10, United States Code, does not apply to the procurement of information technology services under the pilot program.

(d) Duration of Pilot Program.—(1) The authority to carry out the pilot program begins on the date on which the Secretary of Defense submits to Congress the report on the effect of the recent revisions to Office of Management and Budget Circular A–76, as required by section 335 of this Act, and expires on September 30, 2008.

(2) The expiration of the pilot program shall not affect the selection of the source for the performance of an information technology services function for the Department of Defense for which the analysis required by section 2461(b)(3) of title 10, United States Code, has been commenced before the expiration date or for which a solicitation has been issued before the expiration date.

Deadline.

(e) GAO Review.—Not later than February 1, 2008, the Comptroller General shall submit to Congress a report containing—

(1) a review of the pilot program to assess the extent to which the pilot program is effective and is equitable for the potential public sources and the potential private sources of information technology services for the Department of Defense; and

(2) any other conclusions of the Comptroller General resulting from the review.

(f) Information Technology Service Defined.—In this section, the term “information technology service” means any service performed in the operation or maintenance of information technology (as defined in section 11101 of title 40, United States Code) that is necessary for or beneficial to the accomplishment of the authorized functions of the Department of Defense (other than functions which the Secretary of Defense determines must be performed by military or Government personnel).

SEC. 337. HIGH-PERFORMING ORGANIZATION BUSINESS PROCESS REENGINEERING PILOT PROGRAM.

10 USC 113 note.

(a) PILOT PROGRAM.—The Secretary of Defense shall establish a pilot program under which the Secretary concerned shall create, or continue the implementation of, high-performing organizations through the conduct of a Business Process Reengineering initiative at selected military installations and facilities under the jurisdiction of the Secretary concerned.

(b) EFFECT OF PARTICIPATION IN PILOT PROGRAM.—(1) During the period of an organization's participation in the pilot program, including the periods referred to in paragraphs (2) and (3) of subsection (f), the Secretary concerned may not require the organization to undergo any Office of Management and Budget Circular A–76 competition or other public-private competition involving any function of the organization covered by the Business Process Reengineering initiative. The organization may elect to undergo such a competition as part of the initiative.

(2) Civilian employee or military personnel positions of the participating organization that are part of the Business Process Reengineering initiative shall be counted toward any numerical goals, target, or quota that the Secretary concerned is required or requested to meet during the term of the pilot program regarding the number of positions to be covered by public-private competitions.

(c) ELIGIBLE ORGANIZATIONS.—Subject to subsection (d), the Secretary concerned may select two types of organizations to participate in the pilot program:

(1) Organizations that underwent a Business Process Reengineering initiative within the preceding five years, achieved major performance enhancements under the initiative, and will be able to sustain previous or achieve new performance goals through the continuation of its existing or completed Business Process Reengineering plan.

(2) Organizations that have not undergone or have not successfully completed a Business Process Reengineering initiative, but which propose to achieve, and reasonably could reach, enhanced performance goals through implementation of a Business Process Reengineering initiative.

(d) ADDITIONAL ELIGIBILITY REQUIREMENTS.—(1) To be eligible for selection to participate in the pilot program under subsection (c)(1), an organization described in such subsection shall demonstrate, to the satisfaction of the Secretary concerned, the completion of a total organizational assessment that resulted in enhanced performance measures at least comparable to those performance measures that might be achieved through competitive sourcing.

(2) To be eligible for selection to participate in the pilot program under subsection (c)(2), an organization described in such subsection shall identify, to the satisfaction of the Secretary concerned—

(A) functions, processes, and measures to be studied under the Business Process Reengineering initiative;

(B) adequate resources to carry out the Business Process Reengineering initiative; and

(C) labor-management agreements in place to ensure effective implementation of the Business Process Reengineering initiative.

(e) LIMITATION ON NUMBER OF PARTICIPANTS.—Total participants in the pilot program is limited to eight military installations and facilities, with some participants to be drawn from organizations described in subsection (c)(1) and some participants to be drawn from organizations described in subsection (c)(2).

(f) IMPLEMENTATION AND DURATION.—(1) The implementation and management of a Business Process Reengineering initiative under the pilot program shall be the responsibility of the commander of the military installation or facility at which the Business Process Reengineering initiative is carried out.

(2) An organization selected to participate in the pilot program shall be given a reasonable initial period, to be determined by the Secretary concerned, in which the organization must implement the Business Process Reengineering initiative. At the end of this period, the Secretary concerned shall determine whether the organization has achieved initial progress toward designation as a high-performing organization. In the absence of such progress, the Secretary concerned shall terminate the organization's participation in the pilot program.

(3) If an organization successfully completes implementation of the Business Process Reengineering initiative under paragraph (2), the Secretary concerned shall designate the organization as a high-performing organization and grant the organization an additional five-year period in which to achieve projected or planned efficiencies and savings under the pilot program.

(g) REVIEWS AND REPORTS.—The Secretary concerned shall conduct annual performance reviews of the participating organizations or functions under the jurisdiction of the Secretary concerned. Reviews and reports shall evaluate organizational performance measures or functional performance measures and determine whether organizations are performing satisfactorily for purposes of continuing participation in the pilot program.

(h) PERFORMANCE MEASURES.—Performance measures utilized in the pilot program should include the following, which shall be measured against organizational baselines determined before participation in the pilot program:

(1) Costs, savings, and overall financial performance of the organization.

(2) Organic knowledge, skills or expertise.

(3) Efficiency and effectiveness of key functions or processes.

(4) Efficiency and effectiveness of the overall organization.

(5) General customer satisfaction.

(i) DEFINITIONS.—In this section

(1) The term "Business Process Reengineering" refers to an organization's complete and thorough analysis and reengineering of mission and support functions and processes to achieve improvements in performance, including a fundamental reshaping of the way work is done to better support an organization's mission and reduce costs.

(2) The term "high-performing organization" means an organization whose performance exceeds that of comparable providers, whether public or private.

(3) The term "Secretary concerned" means the Secretary of a military department and the Secretary of Defense, with respect to matters concerning the Defense Agencies.

SEC. 338. NAVAL AVIATION DEPOTS MULTI-TRADES DEMONSTRATION PROJECT.

10 USC 5103 note.

(a) DEMONSTRATION PROJECT REQUIRED.—In accordance with section 4703 of title 5, United States Code, the Secretary of the Navy shall carry out a demonstration project under which three Naval Aviation Depots are given the flexibility to promote by one grade level workers who are certified at the journey level as able to perform multiple trades.

(b) SELECTION REQUIREMENTS.—As a condition on eligibility for selection to participate in the demonstration project, the head of a Naval Aviation Depot shall submit to the Secretary a business case analysis and concept plan—

(1) that, on the basis of the results of analysis of work processes, demonstrate that process improvements would result from the trade combinations proposed to be implemented under the demonstration project; and

(2) that describes the improvements in cost, quality, or schedule of work that are anticipated to result from the participation in the demonstration project.

(c) PARTICIPATING WORKERS.—(1) Actual worker participation in the demonstration project shall be determined through competitive selection. Not more than 15 percent of the wage grade journeyman at a demonstration project location may be selected to participate.

(2) Job descriptions and competency-based training plans must be developed for each worker while in training under the demonstration project and once certified as a multi-trade worker. A certified multi-trade worker who receives a pay grade promotion under the demonstration project must use each new skill during at least 25 percent of the worker's work year.

(d) FUNDING SOURCE.—Appropriations for operation and maintenance of the Naval Aviation Depots selected to participate in the demonstration project shall be used as the source of funds to carry out the demonstration project, including the source of funds for pay increases made under the project.

(e) DURATION.—The demonstration project shall be conducted during fiscal years 2004 through 2006.

Deadline.

(f) REPORT.—Not later than January 15, 2007, the Secretary shall submit a report to Congress describing the results of the demonstration project.

(g) GAO EVALUATION.—The Secretary shall transmit a copy of the report to the Comptroller General. Within 90 days after receiving the report, the Comptroller General shall submit to Congress an evaluation of the report.

Subtitle D—Other Matters

SEC. 341. CATALOGING AND STANDARDIZATION FOR DEFENSE SUPPLY MANAGEMENT.

Section 2451 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) The Secretary shall coordinate with the Administrator of General Services to enable the use of commercial identifiers for commercial items within the Federal cataloging system.".

SEC. 342. SALE OF DEFENSE INFORMATION SYSTEMS AGENCY SERVICES TO CONTRACTORS PERFORMING THE NAVY-MARINE CORPS INTRANET CONTRACT.

(a) AUTHORITY.—The Secretary of Defense may sell working-capital funded services of the Defense Information Systems Agency to a person outside the Department of Defense for use by that person in the performance of the Navy-Marine Corps Intranet contract.

(b) REIMBURSEMENT.—The Secretary shall require reimbursement of each working-capital fund for the costs of services sold under subsection (a) that were paid for out of such fund. The sources of the reimbursement shall be the appropriation or appropriations funding the Navy-Marine Corps Intranet contract or any cash payments received by the Secretary for the services.

(c) NAVY-MARINE CORPS INTRANET CONTRACT DEFINED.—In this section, the term "Navy-Marine Corps Intranet contract" has the meaning given such term in section 814 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398 (114 Stat. 1654A–217)).

SEC. 343. PERMANENT AUTHORITY FOR PURCHASE OF CERTAIN MUNICIPAL SERVICES AT INSTALLATIONS IN MONTEREY COUNTY, CALIFORNIA.

(a) AUTHORITY.—Subject to section 2465 of title 10, United States Code, public works, utility, and other municipal services needed for the operation of any Department of Defense asset in Monterey County, California, may be purchased from government agencies located in that county.

(c) REPEAL OF EXISTING TEMPORARY AUTHORITY.—Section 816 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2820) is repealed.

SEC. 344. DEPARTMENT OF DEFENSE TELECOMMUNICATIONS BENEFIT.

(a) PROVISION OF PREPAID PHONE CARDS.—As soon as possible after the date of the enactment of this Act, the Secretary of Defense shall provide, wherever practicable, prepaid phone cards, or an equivalent telecommunications benefit which includes access to telephone service, to members of the Armed Forces stationed outside the United States who (as determined by the Secretary) are eligible for combat zone tax exclusion benefits due to their service in direct support of Operation Enduring Freedom and Operation Iraqi Freedom to enable those members to make telephone calls without cost to the member.

(b) MONTHLY BENEFIT.—The value of the benefit provided under subsection (a) to any member in any month, to the extent the benefit is provided from amounts available to the Department of Defense, may not exceed—

(1) $40; or

(2) 120 calling minutes, if the cost to the Department of Defense of providing such number of calling minutes is less than the amount specified in paragraph (1).

(c) END OF PROGRAM.—The program established by subsection (a) shall terminate on September 30, 2004.

(d) FUNDING.—(1)(A) In carrying out the program under this section, the Secretary shall maximize the use of existing Department of Defense telecommunications programs and capabilities, free or reduced-cost services of private sector entities, and programs to enhance morale and welfare.

(B) The Secretary may not award a contract to a commercial firm for the purposes of subparagraph (A) other than through the use of competitive procedures.

(2) The Secretary may accept gifts and donations in order to defray the costs of the program under this section. Such gifts and donations may be accepted from—

(A) any foreign government;

(B) any foundation or other charitable organization, including any that is organized or operates under the laws of a foreign country; and

(C) any source in the private sector of the United States or a foreign country.

(e) DEPLOYMENT OF ADDITIONAL TELEPHONE EQUIPMENT.—If the Secretary of Defense determines that, in order to implement this section as quickly as practicable, it is necessary to provide additional telephones in any area to facilitate telephone calling for which benefits are provided under this section, the Secretary may, consistent with the availability of resources, award competitively bid contracts to one or more commercial entities for the provision and installation of telephones in that area.

(f) NO COMPROMISE OF MILITARY MISSION.—The Secretary of Defense should not take any action under this section that would compromise the military objectives or mission of the Department of Defense.

SEC. 345. INDEPENDENT ASSESSMENT OF MATERIAL CONDITION OF THE KC–135 AERIAL REFUELING FLEET.

Deadline.

Not later than May 1, 2004, the Secretary of Defense shall submit to the congressional defense committees an assessment, conducted by an entity outside of the Department of Defense, of the material condition of the fleet of KC–135 aerial refueling aircraft of the Air Force. The assessment shall include the following:

(1) Trend analysis for operational readiness for KC–135E and KC–135R aircraft from fiscal year 1996 through fiscal year 2003.

(2) Trend analysis for the number of manhours of organizational-level and depot-level maintenance required for KC–135E and KC–135R aircraft from fiscal year 1996 through fiscal year 2003, setting forth separately the manhours required for control and treatment of corrosion.

(3) The number of KC–135E and KC–135R aircraft grounded due to corrosion for each year, and the length of time each aircraft was grounded pending corrosion repair, based

on maintenance conducted from fiscal year 1996 through fiscal year 2003.

(4) An itemization of improved corrosion repair processes for KC–135E and KC–135R aircraft used between fiscal year 1996 and fiscal year 2003 which resulted in a decrease in the number of manhours required for control and treatment of corrosion.

(5) An analysis of the relationship between manhours for corrosion repair as set forth under paragraph (2) and the processes set forth under paragraph (4).

(6) An analysis of major structural repairs required due to corrosion for KC–135E and KC–135R aircraft annually from fiscal year 1996 through fiscal year 2003.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent active duty end strength minimum levels.
Sec. 403. Personnel strength authorization and accounting process.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2004 limitations on non-dual status technicians.
Sec. 415. Permanent limitations on number of non-dual status technicians.

Subtitle C—Authorizations of Appropriations

Sec. 421. Military personnel.
Sec. 422. Armed Forces Retirement Home.

Subtitle A—Active Forces

10 USC 115 note.

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2004, as follows:

(1) The Army, 482,400.
(2) The Navy, 373,800.
(3) The Marine Corps, 175,000.
(4) The Air Force, 359,300.

SEC. 402. REVISION IN PERMANENT ACTIVE DUTY END STRENGTH MINIMUM LEVELS.

Section 691(b) of title 10, United States Code, is amended as follows:

(1) ARMY.—Paragraph (1) is amended by striking “480,000” and inserting “482,400”.

(2) NAVY.—Paragraph (2) is amended by striking “375,700” and inserting “373,800”.

(3) AIR FORCE.—Paragraph (4) is amended by striking “359,000” and inserting “359,300”.

SEC. 403. PERSONNEL STRENGTH AUTHORIZATION AND ACCOUNTING PROCESS.

(a) QUARTERLY STRENGTH LEVELS.—Section 115 of title 10, United States Code, is amended—

(1) by redesignating subsections (c), (e), and (g) as subsections (e), (g), and (c), respectively, and by transferring—

(A) subsection (e), as so redesignated, so as to appear after subsection (d);

(B) subsection (g), as so redesignated, so as to appear after subsection (f); and

(C) subsection (c), as so redesignated, so as to appear after subsection (b);

(2) by transferring subsection (d) to the end of such section and redesignating that subsection as subsection (h); and

(3) by inserting after subsection (c), as redesignated and transferred by paragraph (1), the following new subsection (d):

"(d) END-OF-QUARTER STRENGTH LEVELS.—(1) The Secretary of Defense shall prescribe and include in the budget justification documents submitted to Congress in support of the President's budget for the Department of Defense for any fiscal year the Secretary's proposed end-of-quarter strengths for each of the first three quarters of the fiscal year for which the budget is submitted, in addition to the Secretary's proposed fiscal-year end-strengths for that fiscal year. Such end-of-quarter strengths shall be submitted for each category of personnel for which end strengths are required to be authorized by law under subsection (a) or (c). The Secretary shall ensure that resources are provided in the budget at a level sufficient to support the end-of-quarter and fiscal-year end-strengths as submitted.

"(2)(A) After annual end-strength levels required by subsections (a) and (c) are authorized by law for a fiscal year, the Secretary of Defense shall promptly prescribe end-of-quarter strength levels for the first three quarters of that fiscal year applicable to each such end-strength level. Such end-of-quarter strength levels shall be established for any fiscal year as levels to be achieved in meeting each of those annual end-strength levels authorized by law in accordance with subsection (a) (as such levels may be adjusted pursuant to subsection (e)) and subsection (c).

"(B) At least annually, the Secretary of Defense shall establish for each of the armed forces (other than the Coast Guard) the maximum permissible variance of actual strength for an armed force at the end of any given quarter from the end-of-quarter strength established pursuant to subparagraph (A). Such variance shall be such that it promotes the maintaining of the strength necessary to achieve the end-strength levels authorized in accordance with subsection (a) (as adjusted pursuant to subsection (e)) and subsection (c).

"(3) Whenever the Secretary establishes an end-of-quarter strength level under subparagraph (A) of paragraph (2), or modifies a strength level under the authority provided in subparagraph (B) of paragraph (2), the Secretary shall notify the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives of that strength level or of that modification, as the case may be.".

(b) CONFORMING AND STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "ACTIVE-DUTY AND SELECTED RESERVE END STRENGTHS TO BE AUTHORIZED BY LAW.—" after "(a)";

(2) in subsection (b), by inserting "LIMITATION ON APPROPRIATIONS FOR MILITARY PERSONNEL.—" after "(b)";

(3) in subsection (c), as redesignated and transferred by subsection (a)(1), by inserting “MILITARY TECHNICIAN (DUAL STATUS) END STRENGTHS TO BE AUTHORIZED BY LAW.—” after “(c)”;

(4) in subsection (e), as redesignated and transferred by subsection (a)(1), by inserting “AUTHORITY FOR SECRETARY OF DEFENSE VARIANCES FOR ACTIVE-DUTY AND SELECTED RESERVE END STRENGTHS.—” after “(e)”;

(5) in subsection (f)—

(A) by inserting “AUTHORITY FOR SERVICE SECRETARY VARIANCES FOR ACTIVE-DUTY END STRENGTHS.—” after “(f)”; and

(B) in paragraph (2), by striking “subsection (c)(1)” and inserting “subsection (e)(1)”;

(6) in subsection (g), as redesignated and transferred by subsection (a)(1), by inserting “ADJUSTMENT WHEN COAST GUARD IS OPERATING AS A SERVICE IN THE NAVY.—” after “(g)”; and

(7) in subsection (h), as redesignated and transferred by subsection (a)(2), by inserting “CERTAIN ACTIVE-DUTY PERSONNEL EXCLUDED FROM COUNTING FOR ACTIVE-DUTY END STRENGTHS.—” after “(h)”.

(c) CROSS REFERENCE AMENDMENTS.—Section 10216 of such title is amended by striking “section 115(g)” each place it appears and inserting “section 115(c)”.

10 USC 115 note.

(d) EFFECTIVE DATE.—Subsection (d) of section 115 of title 10, United States Code, as added by subsection (a)(3), shall apply with respect to the budget request for fiscal year 2005 and thereafter.

Subtitle B—Reserve Forces

10 USC 12001 note.

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2004, as follows:

(1) The Army National Guard of the United States, 350,000.
(2) The Army Reserve, 205,000.
(3) The Naval Reserve, 85,900.
(4) The Marine Corps Reserve, 39,600.
(5) The Air National Guard of the United States, 107,030.
(6) The Air Force Reserve, 75,800.
(7) The Coast Guard Reserve, 10,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

10 USC 12001 note.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2004, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 25,599.
(2) The Army Reserve, 14,374.
(3) The Naval Reserve, 14,384.
(4) The Marine Corps Reserve, 2,261.
(5) The Air National Guard of the United States, 12,191.
(6) The Air Force Reserve, 1,660.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

10 USC 115 note.

The minimum number of military technicians (dual status) as of the last day of fiscal year 2004 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 6,949.
(2) For the Army National Guard of the United States, 24,589.
(3) For the Air Force Reserve, 9,991.
(4) For the Air National Guard of the United States, 22,806.

SEC. 414. FISCAL YEAR 2004 LIMITATIONS ON NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—(1) Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2004, may not exceed the following:

(A) For the Army National Guard of the United States, 1,600.
(B) For the Air National Guard of the United States, 350.

(2) The number of non-dual status technicians employed by the Army Reserve as of September 30, 2004, may not exceed 910.

(3) The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2004, may not exceed 90.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term “non-dual status technician” has the meaning given that term in section 10217(a) of title 10, United States Code.

SEC. 415. PERMANENT LIMITATIONS ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

Section 10217(c) of title 10, United States Code, is amended by striking “and Air Force Reserve may not exceed 175” and inserting “may not exceed 595 and by the Air Force Reserve may not exceed 90”.

Subtitle C—Authorizations of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2004 a total of $98,908,400,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2004.

SEC. 422. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2004 from the Armed Forces Retirement Home Trust Fund the sum of $65,279,000 for the operation of the Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Matters

Sec. 501. Standardization of qualifications for appointment as service chief.
Sec. 502. Eligibility for appointment as Chief of Army Veterinary Corps.
Sec. 503. Repeal of required grade of defense attaché in France.
Sec. 504. Repeal of termination provisions for certain authorities relating to management of general and flag officers in certain grades.
Sec. 505. Retention of health professions officers to fulfill active-duty service commitments following promotion nonselection.
Sec. 506. Permanent authority to reduce three-year time-in-grade requirement for retirement in grade for officers in grades above major and lieutenant commander.
Sec. 507. Contingent exclusion from officer strength and distribution-in-grade limitations for officer serving as Associate Director of Central Intelligence for Military Support.
Sec. 508. Reappointment of incumbent Chief of Naval Operations.
Sec. 509. Secretary of Defense approval required for practice of wearing uniform insignia of higher grade known as “frocking”.

Subtitle B—Reserve Component Matters

Sec. 511. Streamlined process for continuation of officers on the Reserve Active-Status List.
Sec. 512. Consideration of Reserve officers for position vacancy promotions in time of war or national emergency.
Sec. 513. Authority for delegation of required secretarial special finding for placement of certain retired members in Ready Reserve.
Sec. 514. Authority to provide expenses of Army and Air Staff personnel and National Guard Bureau personnel attending national conventions of certain military associations.
Sec. 515. Expanded authority for use of Ready Reserve in response to terrorism.
Sec. 516. National Guard officers on active duty in command of National Guard units.
Sec. 517. Presidential report on mobilization of reserve component personnel and Secretary of Defense assessment.
Sec. 518. Authority for the use of operation and maintenance funds for promotional activities of the National Committee for Employer Support of the Guard and Reserve.

Subtitle C—ROTC and Military Service Academies

Sec. 521. Expanded educational assistance authority for cadets and midshipmen receiving ROTC scholarships.
Sec. 522. Increase in allocation of scholarships under Army Reserve ROTC scholarship program to students at military junior colleges.
Sec. 523. Authority for nonscholarship senior ROTC sophomores to voluntarily contract for and receive subsistence allowance.

Sec. 524. Appointments to military service academies from nominations made by delegates from Guam, Virgin Islands, and American Samoa.
Sec. 525. Readmission to service academies of certain former cadets and midshipmen.
Sec. 526. Defense task force on sexual harassment and violence at the military service academies.
Sec. 527. Actions to address sexual harassment and violence at the service academies.
Sec. 528. Study and report related to permanent professors at the United States Air Force Academy.
Sec. 529. Dean of the faculty of the United States Air Force Academy.

Subtitle D—Other Military Education and Training Matters

Sec. 531. Authority for the Marine Corps University to award the degree of Master of Operational Studies.
Sec. 532. Authorization for Naval Postgraduate School to provide instruction to enlisted members participating in certain programs.
Sec. 533. Cost reimbursement requirements for personnel receiving instruction at the Air Force Institute of Technology
Sec. 534. Inclusion of accrued interest in amounts that may be repaid under Selected Reserve critical specialties education loan repayment program.
Sec. 535. Funding of education assistance enlistment incentives to facilitate national service through Department of Defense Education Benefits Fund.
Sec. 536. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 537. Impact aid eligibility for heavily impacted local educational agencies affected by privatization of military housing.

Subtitle E—Administrative Matters

Sec. 541. High-tempo personnel management and allowance.
Sec. 542. Enhanced retention of accumulated leave for high-deployment members.
Sec. 543. Standardization of statutory authorities for exemptions from requirement for access to secondary schools by military recruiters.
Sec. 544. Procedures for consideration of applications for award of the Purple Heart medal to veterans held as prisoners of war before April 25, 1962.
Sec. 545. Authority for Reserve and retired regular officers to hold State and local office notwithstanding call to active duty.
Sec. 546. Policy on public identification of casualties.
Sec. 547. Space personnel career fields.
Sec. 548. Department of Defense Joint Advertising, Market Research, and Studies program.
Sec. 549. Limitation on force structure reductions in Naval and Marine Corps Reserve aviation squadrons.

Subtitle F—Military Justice Matters

Sec. 551. Extended limitation period for prosecution of child abuse cases in courts-martial.
Sec. 552. Clarification of blood alcohol content limit for the offense under the Uniform Code of Military Justice of drunken operation of a vehicle, aircraft, or vessel.

Subtitle G—Benefits

Sec. 561. Additional classes of individuals eligible to participate in the Federal long-term care insurance program.
Sec. 562. Authority to transport remains of retirees and retiree dependents who die in military treatment facilities.
Sec. 563. Eligibility for dependents of certain mobilized reservists stationed overseas to attend defense dependents schools overseas.

Subtitle H—Domestic Violence

Sec. 571. Travel and transportation for dependents relocating for reasons of personal safety.
Sec. 572. Commencement and duration of payment of transitional compensation.
Sec. 573. Exceptional eligibility for transitional compensation.
Sec. 574. Types of administrative separations triggering coverage.
Sec. 575. Comptroller General review and report.
Sec. 576. Fatality reviews.
Sec. 577. Sense of Congress.

Subtitle I—Other Matters

Sec. 581. Recognition of military families.

Sec. 582. Permanent authority for support for certain chaplain-led military family support programs.
Sec. 583. Department of Defense-Department of Veterans Affairs Joint Executive Committee.
Sec. 584. Review of the 1991 death of Marine Corps Colonel James E. Sabow.
Sec. 585. Policy on concurrent deployment to combat zones of both military spouses of military families with minor children.
Sec. 586. Congressional notification of amendment or cancellation of Department of Defense directive relating to reasonable access to military installations for certain personal commercial solicitation.
Sec. 587. Study of National Guard Challenge Program.
Sec. 588. Findings and sense of Congress on reward for information leading to resolution of status of members of the Armed Forces who remain unaccounted for.

Subtitle A—Officer Personnel Matters

SEC. 501. STANDARDIZATION OF QUALIFICATIONS FOR APPOINTMENT AS SERVICE CHIEF.

(a) CHIEF OF NAVAL OPERATIONS.—Section 5033(a)(1) of title 10, United States Code, is amended by striking “from officers on the active-duty list in the line of the Navy who are eligible to command at sea and who hold the grade of rear admiral or above” and inserting “from the flag officers of the Navy”.

(b) COMMANDANT OF THE MARINE CORPS.—Section 5043(a)(1) of title 10, United States Code, is amended by striking “from officers on the active-duty list of the Marine Corps not below the grade of colonel” and inserting “from the general officers of the Marine Corps”.

SEC. 502. ELIGIBILITY FOR APPOINTMENT AS CHIEF OF ARMY VETERINARY CORPS.

(a) APPOINTMENT FROM AMONG MEMBERS OF THE CORPS.—Section 3084 of title 10, United States Code, is amended by inserting after “The Chief of the Veterinary Corps of the Army” the following: “shall be appointed from among officers of the Veterinary Corps. The Chief of the Veterinary Corps”.

10 USC 3084 note.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to appointments of the Chief of the Veterinary Corps of the Army that are made on or after the date of the enactment of this Act.

SEC. 503. REPEAL OF REQUIRED GRADE OF DEFENSE ATTACHÉ IN FRANCE.

(a) IN GENERAL.—Section 714 of title 10, United States Code, is repealed.

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 41 of such title is amended by striking the item relating to section 714.

SEC. 504. REPEAL OF TERMINATION PROVISIONS FOR CERTAIN AUTHORITIES RELATING TO MANAGEMENT OF GENERAL AND FLAG OFFICERS IN CERTAIN GRADES.

(a) SENIOR JOINT OFFICER POSITIONS.—Section 604 of title 10, United States Code, is amended by striking subsection (c).

(b) DISTRIBUTION OF OFFICERS ON ACTIVE DUTY IN GENERAL AND FLAG OFFICER GRADES.—Section 525(b)(5) of such title is amended by striking subparagraph (C).

(c) AUTHORIZED STRENGTH FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(b) of such title is amended by striking paragraph (3).

SEC. 505. RETENTION OF HEALTH PROFESSIONS OFFICERS TO FULFILL ACTIVE-DUTY SERVICE COMMITMENTS FOLLOWING PROMOTION NONSELECTION.

(a) IN GENERAL.—Section 632 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by inserting "except as provided in paragraph (3) and in subsection (c)," before "be discharged"; and

(2) by adding at the end the following new subsection:

"(c)(1) If a health professions officer described in paragraph (2) is subject to discharge under subsection (a)(1) and, as of the date on which the officer is to be discharged under that paragraph, the officer has not completed a period of active duty service obligation that the officer incurred under section 2005, 2114, 2123, or 2603 of this title, the officer shall be retained on active duty until completion of such active duty service obligation, and then be discharged under that subsection, unless sooner retired or discharged under another provision of law.

"(2) The Secretary concerned may waive the applicability of paragraph (1) to any officer if the Secretary determines that completion of the active duty service obligation of that officer is not in the best interest of the service.

"(3) This subsection applies to a medical officer or dental officer or an officer appointed in a medical skill other than as a medical officer or dental officer (as defined in regulations prescribed by the Secretary of Defense).".

(b) TECHNICAL AMENDMENTS.—Sections 630(2), 631(a)(3), and 632(a)(3) of such title are amended by striking "clause" and inserting "paragraph".

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall not apply in the case of an officer who as of the date of the enactment of this Act is required to be discharged under section 632(a)(1) of title 10, United States Code, by reason of having failed of selection for promotion to the next higher regular grade a second time. 10 USC 632 note.

SEC. 506. PERMANENT AUTHORITY TO REDUCE THREE-YEAR TIME-IN-GRADE REQUIREMENT FOR RETIREMENT IN GRADE FOR OFFICERS IN GRADES ABOVE MAJOR AND LIEUTENANT COMMANDER.

(a) ACTIVE COMPONENT OFFICERS.—Subsection (a)(2)(A) of section 1370 of title 10, United States Code, is amended by striking "in the case of retirements effective during the period beginning on October 1, 2002, and ending on December 31, 2003".

(b) RESERVE COMPONENT OFFICERS.—Subsection (d)(5)(A) of such section is amended by striking "2 years" and all that follows and inserting "two years.".

SEC. 507. CONTINGENT EXCLUSION FROM OFFICER STRENGTH AND DISTRIBUTION-IN-GRADE LIMITATIONS FOR OFFICER SERVING AS ASSOCIATE DIRECTOR OF CENTRAL INTELLIGENCE FOR MILITARY SUPPORT.

(a) ASSOCIATE DIRECTOR NOT COUNTED.—Chapter 32 of title 10, United State Code, is amended by adding at the end the following new section:

"§ 528. Exclusion: officer serving as Associate Director of Central Intelligence for Military Support

"(a) When none of the individuals serving in a position specified in subsection (b) is an officer of the armed forces, an officer of the armed forces assigned to the position of Associate Director of Central Intelligence for Military Support, while serving in that position, shall not be counted against the numbers and percentages of officers of the grade of that officer authorized for that officer's armed force.

"(b) The positions referred to in subsection (a) are the following:

"(1) Director of Central Intelligence.

"(2) Deputy Director of Central Intelligence.

"(3) Deputy Director of Central Intelligence for Community Management.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"528. Exclusion: Associate Director of Central Intelligence for Military Support.".

10 USC 5033 note.

SEC. 508. REAPPOINTMENT OF INCUMBENT CHIEF OF NAVAL OPERATIONS.

Notwithstanding the provisions of section 5033(a)(1) of title 10, United States Code, the President, by and with the advice and consent of the Senate, may reappoint the officer serving as Chief of Naval Operations on October 1, 2003, for an additional term as Chief of Naval Operations. Such a reappointment shall be for a term of not more than two years.

SEC. 509. SECRETARY OF DEFENSE APPROVAL REQUIRED FOR PRACTICE OF WEARING UNIFORM INSIGNIA OF HIGHER GRADE KNOWN AS "FROCKING".

(a) OSD APPROVAL REQUIRED.—Section 777(b) of title 10, United States Code, is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(3) in the case of an officer selected for promotion to a grade above colonel or, in the case of an officer of the Navy, a grade above captain—

"(A) authority for that officer to wear the insignia of that grade has been approved by the Secretary of Defense (or a civilian officer within the Office of the Secretary of Defense whose appointment was made with the advice and consent of the Senate and to whom the Secretary delegates such approval authority); and

Notification.

"(B) the Secretary of Defense has submitted to Congress a written notification of the intent to authorize the officer to wear the insignia for that grade and a period of 30 days has elapsed after the date of the notification.".

(b) EFFECTIVE DATE.—Paragraph (3) of subsection (b) of section 777 of title 10, United States Code, as added by subsection (a), shall not apply with respect to the wearing by an officer of insignia for a grade that was authorized under that section before the date of the enactment of this Act. 10 USC 777 note.

Subtitle B—Reserve Component Matters

SEC. 511. STREAMLINED PROCESS FOR CONTINUATION OF OFFICERS ON THE RESERVE ACTIVE-STATUS LIST.

(a) REPEAL OF REQUIREMENT FOR USE OF SELECTION BOARDS.—Section 14701 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "by a selection board convened under section 14101(b) of this title" and inserting "under regulations prescribed by the Secretary of Defense"; and

(B) in paragraph (6), by striking "as a result of the convening of a selection board under section 14101(b) of this title" and inserting "under regulations prescribed under paragraph (1)";

(2) by striking subsections (b) and (c); and

(3) by redesignating subsection (d) as subsection (b).

(b) CONFORMING AMENDMENTS.—(1) Section 14101(b) of such title is amended—

(A) by striking "CONTINUATION BOARDS" and inserting "SELECTIVE EARLY SEPARATION BOARDS";

(B) by striking paragraph (1);

(C) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(D) by striking the last sentence.

(2) Section 14102(a) of such title is amended by striking "Continuation boards" and inserting "Selection boards convened under section 14101(b) of this title".

(3) Section 14705(b)(1) of such title is amended by striking "continuation board" and inserting "selection board".

SEC. 512. CONSIDERATION OF RESERVE OFFICERS FOR POSITION VACANCY PROMOTIONS IN TIME OF WAR OR NATIONAL EMERGENCY.

(a) PROMOTION CONSIDERATION WHILE ON ACTIVE-DUTY LIST.—(1) Subsection (d) of section 14317 of title 10, United States Code, is amended by striking "If a reserve officer" and inserting "Except as provided in subsection (e), if a reserve officer".

(2) Subsection (e) of such section is amended to read as follows:

"(e) OFFICERS ORDERED TO ACTIVE DUTY IN TIME OF WAR OR NATIONAL EMERGENCY.—(1) A reserve officer who is not on the active-duty list and who is ordered to active duty in time of war or national emergency may, if eligible, be considered for promotion—

"(A) by a mandatory promotion board convened under section 14101(a) of this title or a special selection board convened under section 14502 of this title; or

"(B) in the case of an officer who has been ordered to or is serving on active duty in support of a contingency operation, by a vacancy promotion board convened under section 14101(a) of this title.

"(2) An officer may not be considered for promotion under this subsection after the end of the two-year period beginning on the date on which the officer is ordered to active duty.

"(3) An officer may not be considered for promotion under this subsection during a period when the operation of this section has been suspended by the President under section 123(a) of this title.

"(4) Consideration of an officer for promotion under this subsection shall be under regulations prescribed by the Secretary of the military department concerned.".

(b) CONFORMING AMENDMENT.—Section 14315(a)(1) of such title is amended by striking "as determined by the Secretary concerned, is available" and inserting "under regulations prescribed by the Secretary concerned, has been recommended".

SEC. 513. AUTHORITY FOR DELEGATION OF REQUIRED SECRETARIAL SPECIAL FINDING FOR PLACEMENT OF CERTAIN RETIRED MEMBERS IN READY RESERVE.

The last sentence of section 10145(d) of title 10, United States Code, is amended to read as follows: "The authority of the Secretary concerned under the preceding sentence may not be delegated—

"(1) to a civilian officer or employee of the military department concerned below the level of Assistant Secretary; or

"(2) to a member of the armed forces below the level of the lieutenant general or vice admiral in an armed force with responsibility for military personnel policy in that armed force.".

SEC. 514. AUTHORITY TO PROVIDE EXPENSES OF ARMY AND AIR STAFF PERSONNEL AND NATIONAL GUARD BUREAU PERSONNEL ATTENDING NATIONAL CONVENTIONS OF CERTAIN MILITARY ASSOCIATIONS.

(a) AUTHORITY.—Section 107(a)(2) of title 32, United States Code, is amended—

(1) by striking "officers" and inserting "members";

(2) by striking "Army General Staff" and inserting "Army Staff"; and

(3) by striking "the National Guard Association of the United States" and inserting "the Enlisted Association of the National Guard of the United States, the National Guard Association of the United States,".

32 USC 107 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall not apply with respect to funds appropriated for a fiscal year before fiscal year 2004.

SEC. 515. EXPANDED AUTHORITY FOR USE OF READY RESERVE IN RESPONSE TO TERRORISM.

Section 12304 of title 10, United States Code, is amended—

(1) in subsection (b)(2), by striking "catastrophic" and inserting "significant"; and

(2) by adding at the end of subsection (c) the following new paragraph:

"(3) No unit or member of a reserve component may be ordered to active duty under this section to provide assistance referred to in subsection (b) unless the President determines that the requirements for responding to an emergency referred to in that subsection have exceeded, or will exceed, the response capabilities of local, State, and Federal civilian agencies.''.

SEC. 516. NATIONAL GUARD OFFICERS ON ACTIVE DUTY IN COMMAND OF NATIONAL GUARD UNITS.

(a) CONTINUATION IN STATE STATUS.—Subsection (a) of section 325 of title 32, United States Code, is amended—

(1) by striking "(a) Each" and inserting "(a) RELIEF REQUIRED.—(1) Except as provided in paragraph (2), each"; and

(2) by adding at the end the following new paragraph:

"(2) An officer of the Army National Guard of the United States or the Air National Guard of the United States is not relieved from duty in the National Guard of his State or Territory, or of Puerto Rico or the District of Columbia, under paragraph (1) while serving on active duty in command of a National Guard unit if—

"(A) the President authorizes such service in both duty statuses; and

"(B) the Governor of his State or Territory or Puerto Rico, or the commanding general of the District of Columbia National Guard, as the case may be, consents to such service in both duty statuses.''.

(b) FORMAT AMENDMENT.—Subsection (b) of such section is amended by inserting "RETURN TO STATE STATUS.—" after "(b)".

SEC. 517. PRESIDENTIAL REPORT ON MOBILIZATION OF RESERVE COMPONENT PERSONNEL AND SECRETARY OF DEFENSE ASSESSMENT.

Deadline.

(a) PRESIDENTIAL REPORT.—Not later than six months after the date of the enactment of this Act, the President shall transmit to Congress a report on the mobilization during fiscal years 2002 and 2003 of members of the reserve components. The report shall include, for each of those fiscal years, the following:

(1) The number of members of the reserve components who were called or ordered to active duty under a provision of law specified in section 101(a)(13)(B) of title 10, United States Code.

(2) Of the members counted under paragraph (1), the number who, under a call or order to active duty referred to in paragraph (1), served on active duty for one year or more (including any extension on active duty) and, for those members, specification of their military specialties and the number of such members in each such specialty.

(3) Of the members counted under paragraph (1), the number who, under a provision of law referred to in paragraph (1), were called or ordered to active duty more than once and, for those members, specification of their military specialties and the number of such members in each such specialty.

Deadline.
10 USC 113 note.

(b) ASSESSMENT BY SECRETARY OF DEFENSE.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives the following:

(1) A description of the effects on reserve component recruitment and retention that have resulted from—

(A) the calls and orders of Reserves to active duty during fiscal years 2002 and 2003; and

(B) the tempo of the service of the Reserves on the active duty to which called or ordered.

(2) A description of changes in the Armed Forces, including any changes in the allocation of roles and missions, in force structure, and in capabilities between the active components and the reserve components of the Armed Forces, that are envisioned by the Secretary of Defense on the basis of—

(A) the effects discussed under paragraph (1);

(B) the lessons learned from calling and ordering the reserve components to active duty during fiscal years 2002 and 2003; or

(C) future military force structure and capabilities requirements.

(3) On the basis of the lessons learned as a result of calling and ordering members of the reserve components to active duty during fiscal years 2002 and 2003, an assessment of the process for calling and ordering such members to active duty, preparing such members for active duty, processing such members into the force upon entry onto active duty, and deploying such members, including an assessment of the adequacy of the alert and notification process from the perspectives of individual members, of reserve component units, and of employers of such members.

SEC. 518. AUTHORITY FOR THE USE OF OPERATION AND MAINTENANCE FUNDS FOR PROMOTIONAL ACTIVITIES OF THE NATIONAL COMMITTEE FOR EMPLOYER SUPPORT OF THE GUARD AND RESERVE.

Section 2241 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) Activities of the National Committee for Employer Support of the Guard and Reserve.—Amounts appropriated for operation and maintenance may, under regulations prescribed by the Secretary of Defense, be used by the Secretary for official reception, representation, and advertising activities and materials of the National Committee for Employer Support of the Guard and Reserve to further employer commitments to their employees who are members of a reserve component.".

Subtitle C—ROTC and Military Service Academies

SEC. 521. EXPANDED EDUCATIONAL ASSISTANCE AUTHORITY FOR CADETS AND MIDSHIPMEN RECEIVING ROTC SCHOLARSHIPS.

(a) Financial Assistance Program for Service on Active Duty.—Section 2107(c) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

"(3) In the case of a cadet or midshipman eligible to receive financial assistance under paragraph (1) or (2), the Secretary of the military department concerned may, in lieu of all or part of the financial assistance described in paragraph (1), provide financial assistance in the form of room and board expenses for the cadet or midshipman and other expenses required by the educational institution.

"(4) The total amount of financial assistance, including the payment of room and board and other educational expenses, provided to a cadet or midshipman in an academic year under this subsection may not exceed an amount equal to the amount that could be provided as financial assistance for such cadet or midshipman under paragraph (1) or (2), or another amount determined by the Secretary concerned, without regard to whether room and board and other educational expenses for such cadet or midshipman are paid under paragraph (3).".

(b) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE IN TROOP PROGRAM UNITS.—Section 2107a(c) of such title is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following new paragraphs:

"(2) In the case of a cadet eligible to receive financial assistance under paragraph (1), the Secretary of the military department concerned may, in lieu of all or part of the financial assistance described in paragraph (1), provide financial assistance in the form of room and board expenses for such cadet and other expenses required by the educational institution.

"(3) The total amount of financial assistance, including the payment of room and board and any other educational expenses, provided to a cadet in an academic year under this subsection may not exceed an amount equal to the amount that could be provided as financial assistance for such cadet under paragraph (1), or another amount determined by the Secretary of the Army, without regard to whether the room and board and other educational expenses for such cadet are paid under paragraph (2).".

Applicability.
10 USC 2107 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payment of expenses of cadets and midshipmen of the Senior Reserve Officers' Training Corps program that are due after the date of the enactment of this Act.

SEC. 522. INCREASE IN ALLOCATION OF SCHOLARSHIPS UNDER ARMY RESERVE ROTC SCHOLARSHIP PROGRAM TO STUDENTS AT MILITARY JUNIOR COLLEGES.

Section 2107a(h) of title 10, United States Code, is amended by striking "10" each place it appears and inserting "17".

SEC. 523. AUTHORITY FOR NONSCHOLARSHIP SENIOR ROTC SOPHOMORES TO VOLUNTARILY CONTRACT FOR AND RECEIVE SUBSISTENCE ALLOWANCE.

(a) AUTHORITY FOR ALLOWANCE.—Section 209 of title 37, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection (c):

"(c) NONSCHOLARSHIP SENIOR ROTC MEMBERS NOT IN ADVANCED TRAINING.—A member of the Selected Reserve Officers' Training Corps who has entered into an agreement under section 2103a of title 10 is entitled to a monthly subsistence allowance at a rate prescribed under subsection (a). That allowance may be paid to the member by reason of such agreement for a maximum of 20 months.".

(b) Authority to Accept Enrollment.—(1) Chapter 103 of title 10, United States Code, is amended by inserting after section 2103 the following new section:

"§ 2103a. Students not eligible for advanced training: commitment to military service

"(a) Authority.—A member of the program who has completed successfully the first year of a four-year Senior Reserve Officers' Training Corps course and who is not eligible for advanced training under section 2104 of this title and is not a cadet or midshipman appointed under section 2107 of this title may—

"(1) contract with the Secretary of the military department concerned, or the Secretary's designated representative, to serve for the period required by the program; and

"(2) agree in writing to accept an appointment, if offered, as a commissioned officer in the Army, Navy, Air Force, or Marine Corps, as the case may be, and to serve in the armed forces for the period prescribed by the Secretary.

"(b) Eligibilty Requirements.—A member of the program may enter into a contract and agreement under this section (and receive a subsistence allowance under section 209(c) of title 37) only if the person—

"(1) is a citizen of the United States;

"(2) enlists in an armed force under the jurisdiction of the Secretary of the military department concerned for the period prescribed by the Secretary; and

"(3) executes a certificate of loyalty in such form as the Secretary of Defense prescribes or take a loyalty oath as prescribed by the Secretary.

"(c) Parental Consent for Minors.—A member of the program who is a minor may enter into a contract under subsection (a)(1) only with the consent of the member's parent or guardian.

"(d) Termination of Authority.—No contract may be entered into under subsection (a)(1) after December 31, 2006.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2103 the following new item:

"2103a. Students not eligible for advanced training: commitment to military service.".

10 USC 2103a note.

(c) Effective Date.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2004.

SEC. 524. APPOINTMENTS TO MILITARY SERVICE ACADEMIES FROM NOMINATIONS MADE BY DELEGATES FROM GUAM, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) United States Military Academy.—Section 4342(a) of title 10, United States Code, is amended—

(1) in paragraphs (6) and (8), by striking "Two" and inserting "Three"; and

(2) in paragraph (9), by striking "One" and inserting "Two".

(b) United States Naval Academy.—Section 6954(a) of such title is amended—

(1) in paragraphs (6) and (8), by striking "Two" and inserting "Three"; and

(2) in paragraph (9), by striking "One" and inserting "Two".

(c) United States Air Force Academy.—Section 9342(a) of such title is amended—

(1) in paragraphs (6) and (8), by striking “Two” and inserting “Three”; and

(2) in paragraph (9), by striking “One” and inserting “Two”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the nomination of candidates for appointment to the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy for classes entering those academies after the date of the enactment of this Act.

10 USC 4342 note.

SEC. 525. READMISSION TO SERVICE ACADEMIES OF CERTAIN FORMER CADETS AND MIDSHIPMEN.

10 USC 4351 note.

(a) INSPECTOR GENERAL REPORT AS BASIS FOR READMISSION.—(1) When a formal report by an Inspector General within the Department of Defense concerning the circumstances of the separation of a cadet or midshipman from one of the service academies contains a specific finding specified in paragraph (2), the Secretary of the military department concerned may use that report as the sole basis for readmission of the former cadet or midshipman to the respective service academy.

(2) A finding specified in this paragraph is a finding that substantiates that a former service academy cadet or midshipman, while attending the service academy—

(A) received administrative or punitive action or nonjudicial punishment as a result of reprisal;

(B) resigned in lieu of disciplinary, administrative, or other action that the formal report concludes constituted a threat of reprisal; or

(C) otherwise suffered an injustice that contributed to the resignation of the cadet or midshipman.

(b) READMISSION.—In the case of a formal report by an Inspector General described in subsection (a), the Secretary concerned shall offer the former cadet or midshipman an opportunity for readmission to the service academy from which the former cadet or midshipman resigned, if the former cadet or midshipman is otherwise eligible for such readmission.

(c) APPLICATIONS FOR READMISSION.—A former cadet or midshipman described in a report referred to in subsection (a) may apply for readmission to the service academy on the basis of that report and shall not be required to submit the request for readmission through a board for the correction of military records.

(d) REGULATIONS TO MINIMIZE ADVERSE IMPACT UPON READMISSION.—The Secretary of each military department shall prescribe regulations for the readmission of a former cadet or midshipman described in subsection (a), with the goal, to the maximum extent practicable, of readmitting the former cadet or midshipman at no loss of the academic or military status held by the former cadet at the time of resignation.

(e) CONSTRUCTION WITH OTHER REMEDIES.—This section does not preempt or supersede any other remedy that may be available to a former cadet or midshipman.

(f) SERVICE ACADEMIES.—In this section, the term “service academy” means the following:

(1) The United States Military Academy.

(2) The United States Naval Academy.

(3) The United States Air Force Academy.

10 USC 4331 note.

SEC. 526. DEFENSE TASK FORCE ON SEXUAL HARASSMENT AND VIOLENCE AT THE MILITARY SERVICE ACADEMIES.

(a) ESTABLISHMENT.—The Secretary of Defense shall establish a Department of Defense task force to examine matters relating to sexual harassment and violence at the United States Military Academy and the United States Naval Academy.

Deadline. Reports.

(b) RECOMMENDATIONS.—Not later than 12 months after the date on which all members of the task force have been appointed, the task force shall submit to the Secretary of Defense a report recommending ways by which the Department of Defense and the Department of the Army and the Department of the Navy may more effectively address matters relating to sexual harassment and violence at the United States Military Academy and the United States Naval Academy, respectively. The report shall include an assessment of, and recommendations (including any recommended changes in law) for measures to improve, with respect to sexual harassment and violence at those academies, the following:

(1) Victims' safety programs.

(2) Offender accountability.

(3) Effective prevention of sexual harassment and violence.

(4) Collaboration among military organizations with responsibility or jurisdiction with respect to sexual harassment and violence.

(5) Coordination between military and civilian communities, including local support organizations, with respect to sexual harassment and violence.

(6) Coordination between military and civilian communities, including civilian law enforcement relating to acts of sexual harassment and violence.

(7) Data collection and case management and tracking.

(8) Curricula and training, including standard training programs for cadets at the United States Military Academy and midshipmen at the United States Naval Academy and for permanent personnel assigned to those academies.

(9) Responses to sexual harassment and violence at those academies, including standard guidelines.

(10) Other issues identified by the task force relating to sexual harassment and violence at those academies.

(c) METHODOLOGY.—The task force shall consider the findings and recommendations of previous reviews and investigations of sexual harassment and violence conducted for those academies as one of the bases for its assessment.

(d) REPORT.—(1) The task force shall submit to the Secretary of Defense and the Secretaries of the Army and the Navy a report on the activities of the task force and on the activities of the United States Military Academy and the United States Naval Academy to respond to sexual harassment and violence at those academies.

(2) The report shall include the following:

(A) Any barriers to implementation of improvements as a result of those efforts.

(B) Other areas of concern not previously addressed in prior reports.

(C) The findings and conclusions of the task force.

(D) Any recommendations for changes to policy and law as the task force considers appropriate, including whether cases of sexual assault at those academies should be included in the Department of Defense database known as the Defense Incident-Based Reporting System.

(3) Within 90 days after receipt of the report under paragraph (1) the Secretary of Defense shall submit the report, together with the Secretary's evaluation of the report, to the Committees on Armed Services of the Senate and House of Representatives.

(e) REPORT ON AIR FORCE ACADEMY.—Simultaneously with the submission of the report under subsection (d)(3), the Secretary of Defense, in coordination with the Secretary of the Air Force, shall submit to the committees specified in that subsection the Secretary's assessment of the effectiveness of corrective actions being taken at the United States Air Force Academy as a result of various investigations conducted at that Academy into matters involving sexual assault and harassment.

(f) COMPOSITION.—(1) The task force shall consist of not more than 14 members, to be appointed by the Secretary of Defense. Members shall be appointed from each of the Army, Navy, Air Force, and Marine Corps, and shall include an equal number of personnel of the Department of Defense (military and civilian) and persons from outside the Department of Defense. Members appointed from outside the Department of Defense may be appointed from other Federal departments and agencies, from State and local agencies, or from the private sector.

(2) The Secretary shall ensure that the membership of the task force appointed from the Department of Defense includes at least one judge advocate.

(3) In appointing members to the task force, the Secretary may—

(A) consult with the Attorney General regarding a representative from the Office of Violence Against Women of the Department of Justice; and

(B) consult with the Secretary of Health and Human Services regarding a representative from the Women's Health office of the Department of Health and Human Services.

(4) Each member of the task force appointed from outside the Department of Defense shall be an individual who has demonstrated expertise in the area of sexual harassment and violence or shall be appointed from one of the following:

(A) A representative from the Office of Civil Rights of the Department of Education.

(B) A representative from the Centers for Disease Control and Prevention of the Department of Health and Human Services.

(C) A sexual assault policy and advocacy organization.

(D) A civilian law enforcement agency.

(E) A judicial policy organization.

(F) A national crime victim policy organization.

Deadline.

(5) The members of the task force shall be appointed not later than 120 days after the date of the enactment of this Act.

(g) CO-CHAIRS OF THE TASK FORCE.—There shall be two co-chairs of the task force. One of the co-chairs shall be designated by the Secretary of the Defense at the time of appointment from among the Department of Defense personnel on the task force. The other co-chair shall be selected from among the members appointed from outside the Department of Defense by those members.

(h) ADMINISTRATIVE SUPPORT.—(1) Each member of the task force who is a member of the Armed Forces or a civilian officer or employee of the United States shall serve without compensation (other than compensation to which entitled as a member of the Armed Forces or an officer or employee of the United States, as the case may be). Other members of the task force shall be appointed in accordance with, and subject to, section 3161 of title 5, United States Code.

(2) The Deputy Under Secretary of Defense for Personnel and Readiness, under the direction of the Under Secretary of Defense for Personnel and Readiness, shall provide oversight of the task force. The Washington Headquarters Services of the Department of Defense shall provide the task force with personnel, facilities, and other administrative support as necessary for the performance of the task force's duties.

(3) The Deputy Under Secretary shall coordinate with the Secretary of the Army to provide visits of the task force to the United States Military Academy and with the Secretary of the Navy to provide visits of the task force to the United States Naval Academy.

(i) TERMINATION.—The task force shall terminate 90 days after the date on which the report of the task force is submitted to the Committees on Armed Services of the Senate and House of Representatives pursuant to subsection (d)(3).

10 USC 4331 note.

SEC. 527. ACTIONS TO ADDRESS SEXUAL HARASSMENT AND VIOLENCE AT THE SERVICE ACADEMIES.

(a) POLICY ON SEXUAL HARASSMENT AND VIOLENCE.—(1) Under guidance prescribed by the Secretary of Defense—

(A) the Secretary of the Army shall direct the Superintendent of the United States Military Academy to prescribe a policy on sexual harassment and violence applicable to the personnel of the United States Military Academy;

(B) the Secretary of the Navy shall direct the Superintendent of the United States Naval Academy to prescribe a policy on sexual harassment and violence applicable to the personnel of the United States Naval Academy; and

(C) the Secretary of the Air Force shall direct the Superintendent of the United States Air Force Academy to prescribe a policy on sexual harassment and violence applicable to the personnel of the United States Air Force Academy.

(2) The policy on sexual harassment and violence prescribed for an academy under paragraph (1) shall specify the following:

(A) Programs to promote awareness of the incidence of rape, acquaintance rape, and other sexual offenses of a criminal nature that involve academy personnel.

(B) Procedures that a cadet or midshipman should follow in the case of an occurrence of sexual harassment or violence, including—

(i) a specification of the person or persons to whom the alleged offense should be reported;

(ii) a specification of any other person whom the victim should contact; and

(iii) procedures on the preservation of evidence potentially necessary for proof of criminal sexual assault.

(C) Procedures for disciplinary action in cases of alleged criminal sexual assault involving academy personnel.

(D) Any other sanction authorized to be imposed in a substantiated case of harassment or violence involving academy personnel in rape, acquaintance rape, or any other criminal sexual offense, whether forcible or nonforcible.

(E) Required training on the policy for all academy personnel, including the specific training required for personnel who process allegations of sexual harassment or violence involving academy personnel.

(3) In prescribing the policy on sexual harassment and violence for an academy under paragraph (1), the Superintendent of that academy shall take into consideration—

(A) the findings, conclusions, and recommendations of the panel established pursuant to title V of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11; 117 Stat. 609) to review sexual misconduct allegations at the United States Air Force Academy; and

(B) the findings, conclusions, and recommendations of other previous reviews and investigations of sexual harassment and violence conducted with respect to one or more of the academies covered by paragraph (1).

(4) The policy for each such academy required by paragraph (1) shall be prescribed not later than June 1, 2004.

(b) ANNUAL ASSESSMENT.—(1) The Secretary of Defense, through the Secretaries of the military departments, shall direct each Superintendent to conduct at the academy under the jurisdiction of that Superintendent an assessment during each academy program year to determine the effectiveness of the academy's policies, training, and procedures on sexual harassment and violence to prevent criminal sexual harassment and violence involving academy personnel.

(2) For the assessment for each of the 2004, 2005, 2006, 2007, and 2008 academy program years, the Superintendent shall conduct a survey of all academy personnel—

(A) to measure—

(i) the incidence, during that program year, of sexual harassment and violence events, on or off the academy reservation, that have been reported to officials of the academy; and

(ii) the incidence, in that program year, of sexual harassment and violence events, on or off the academy reservation, that have not been reported to officials of the academy; and

(B) to assess the perceptions of academy personnel on—

(i) the policies, training, and procedures on sexual harassment and violence involving academy personnel;

(ii) the enforcement of such policies;

(iii) the incidence of sexual harassment and violence involving academy personnel in such program year; and

(iv) any other issues relating to sexual harassment and violence involving academy personnel.

(c) ANNUAL REPORT.—(1) The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall direct the Superintendent of the United States Military Academy, the Superintendent of the United States Naval Academy, and the Superintendent of the United States Air Force Academy, respectively, to submit to the Secretary a report on sexual harassment and violence involving academy personnel for each of the 2004, 2005, 2006, 2007, and 2008 academy program years.

(2) The annual report for an academy under paragraph (1) shall contain, for the academy program year covered by the report, the following matters:

(A) The number of sexual assaults, rapes, and other sexual offenses involving academy personnel that have been reported to academy officials during the program year, and the number of the reported cases that have been substantiated.

(B) The policies, procedures, and processes implemented by the Secretary of the military department concerned and the leadership of the academy in response to sexual harassment and violence involving academy personnel during the program year.

(C) In the report for the 2004 academy program year, a discussion of the survey conducted under subsection (b), together with an analysis of the results of the survey and a discussion of any initiatives undertaken on the basis of such results and analysis.

(D) In the report for each of the subsequent academy program years, the results of the annual survey conducted in such program year under subsection (b).

(E) A plan for the actions that are to be taken in the following academy program year regarding prevention of and response to sexual harassment and violence involving academy personnel.

(3) The Secretary of a military department shall transmit the annual report on an academy under this subsection, together with the Secretary's comments on the report, to the Secretary of Defense and the Board of Visitors of the academy.

(4) The Secretary of Defense shall transmit the annual report on each academy under this subsection, together with the Secretary's comments on the report to, the Committees on Armed Services of the Senate and the House of Representatives.

(5) The report for the 2004 academy program year for an academy shall be submitted to the Secretary of the military department concerned not later than one year after the date of the enactment of this Act.

(6) In this subsection, the term "academy program year" with respect to a year, means the academy program year that ends in that year.

SEC. 528. STUDY AND REPORT RELATED TO PERMANENT PROFESSORS AT THE UNITED STATES AIR FORCE ACADEMY.

Deadline.

(a) SECRETARY OF AIR FORCE RECOMMENDATIONS.—Not later than six months after the date of the enactment of the Act, the Secretary of the Air Force shall submit to the Secretary of Defense a report containing recommended changes in policy and law pertaining to the selection, tenure, utilization, responsibilities, and qualifications of the permanent professors at the Air Force Academy.

Deadline.

(b) SECRETARY OF DEFENSE RECOMMENDATIONS.—Not later than one month after receiving the report of the Secretary of the Air Force under subsection (a), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives the report received from the Secretary of the Air Force, together with the recommendations of the Secretary of Defense for action and proposals for legislation.

(c) MATTERS TO BE CONSIDERED BY SECRETARY OF AIR FORCE.—The Secretary of the Air Force in preparing the report required by subsection (a), shall, at a minimum, do the following:

(1) Conduct a comprehensive review and assessment of the existing faculty system at the Air Force Academy, including both civilian and military permanent professorships.

(2) Take into account the findings, conclusions, and recommendation regarding faculty and permanent professorships at the Air Force Academy of—

(A) the report of the Panel to Review Sexual Misconduct Allegations at the United States Air Force Academy (referred to as the "Fowler Panel"), dated September 22, 2003;

(B) the report released on June 19, 2003, of the special working group appointed by the Secretary of the Air Force known as the Working Group Concerning the Deterrence of and Response to Incidents of Sexual Assault at the U.S. Air Force Academy, which was led by the General Counsel of the Department of the Air Force; and

(C) the Agenda for Change of the Air Force Academy dated March 26, 2003.

(3) Solicit information regarding the faculty and permanent professorship systems at the United States Naval Academy and the United States Military Academy and consider that information as part of the required assessment.

(4) Consult with experts on higher education outside the Department of Defense.

SEC. 529. DEAN OF THE FACULTY OF THE UNITED STATES AIR FORCE ACADEMY.

(a) AUTHORITY TO APPOINT DEAN FROM PERSONS OTHER THAN AIR FORCE ACADEMY FACULTY HEADS OF DEPARTMENTS.—Subsection (a) of section 9335 of title 10, United States Code, is amended to read as follows:

"(a) The Dean of the Faculty is responsible to the Superintendent for developing and sustaining the curriculum and overseeing the faculty of the Academy. The qualifications, selection procedures, training, pay grade, and retention of the Dean shall be prescribed by the Secretary of the Air Force. If a person appointed as the Dean is not an officer on active duty, the person shall be appointed as a member of the Senior Executive Service.".

(b) CONFORMING AMENDMENTS.—Subsection (b) of such section is amended—

(1) in the first sentence—

(A) by striking "of the Air Force" and inserting "on active duty"; and

(B) by inserting "(or the equivalent)" after "brigadier general" both places it appears; and

(2) in the last sentence—

(A) by inserting "applicable" before "limitation"; and

(C) by striking "of the Air Force".

(c) STATUTORY STATUS AS PERMANENT PROFESSOR.—(1) Section 9331(b)(2) of such title is amended by striking "dean of the Faculty, who is a permanent professor" and inserting "Dean of the Faculty".

(2) Section 9336(a) of such title is amended by striking ", other than the Dean of the Faculty,".

10 USC 9331 note.

(d) APPLICABILITY.—The amendments made by this section shall apply with respect to any Dean of the Faculty of the United States Air Force Academy selected on or after the date of the enactment of this Act.

Subtitle D—Other Military Education and Training Matters

SEC. 531. AUTHORITY FOR THE MARINE CORPS UNIVERSITY TO AWARD THE DEGREE OF MASTER OF OPERATIONAL STUDIES.

(a) AUTHORITY.—Section 7102 of title 10, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection (c):

"(c) COMMAND AND STAFF COLLEGE OF THE MARINE CORPS UNIVERSITY.—Upon the recommendation of the Director and faculty of the Command and Staff College of the Marine Corps University, the President of the Marine Corps University may confer the degree of master of operational studies upon graduates of the Command and Staff College's School of Advanced Warfighting who fulfill the requirements for that degree.".

10 USC 7102 note.

(b) EFFECTIVE DATE.—The authority to confer the degree of master of operational studies under section 7102(c) of title 10, United States Code (as added by subsection (a)) may not be exercised until the Secretary of Education determines, and certifies to the President of the Marine Corps University, that the requirements established by the Command and General Staff College of the Marine Corps University for that degree are in accordance with generally applicable requirements for a degree of master of arts.

SEC. 532. AUTHORIZATION FOR NAVAL POSTGRADUATE SCHOOL TO PROVIDE INSTRUCTION TO ENLISTED MEMBERS PARTICIPATING IN CERTAIN PROGRAMS.

(a) EXPANDED ELIGIBILITY FOR ENLISTED PERSONNEL.—Subsection (a)(2) of section 7045 of title 10, United States Code, is amended to read as follows:

"(2)(A) The Secretary may permit an enlisted member of the armed forces to receive instruction at the Naval Postgraduate School through attendance at an executive level seminar.

"(B) The Secretary may permit an eligible enlisted member of the armed forces to receive instruction at the Postgraduate School in connection with pursuit of a program of education in information assurance as a participant in the Information Security Scholarship program under chapter 112 of this title. To be eligible for instruction under this subparagraph, the enlisted member must have been awarded a baccalaureate degree by an institution of higher education.

"(C) In addition to instruction authorized under subparagraphs (A) and (B), the Secretary may, on a space-available basis, permit an enlisted member of the armed forces who is assigned permanently to the staff of the Postgraduate School or to a nearby command to receive instruction at the Postgraduate School.".

(b) REIMBURSEMENT.—Subsection (b) of such section is amended—

(1) by striking "The Department" and inserting "(1) Except as provided under paragraph (3), the Department";

(2) by striking "officers" in the first sentence and inserting "members";

(3) by designating the second sentence as paragraph (2) and in that sentence—

(A) by inserting "under subsection (a)(2)(C)" after "permitted";

(B) by inserting "on a space-available basis" after "instruction at the Postgraduate School"; and

(C) by striking "(taking into consideration the admission of enlisted members on a space-available basis)"; and

(4) by adding at the end the following new paragraph:

"(3) The requirements for payment of costs and fees under paragraph (1) shall be subject to such exceptions as the Secretary of Defense may prescribe for members of the armed forces who receive instruction at the Postgraduate School in connection with pursuit of a degree or certification as participants in the Information Security Scholarship program under chapter 112 of this title.".

SEC. 533. COST REIMBURSEMENT REQUIREMENTS FOR PERSONNEL RECEIVING INSTRUCTION AT THE AIR FORCE INSTITUTE OF TECHNOLOGY.

(a) REIMBURSEMENT FROM OTHER SERVICES.—Section 9314 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) REIMBURSEMENT.—(1) The Department of the Army, the Department of the Navy, and the Department of Homeland Security shall bear the cost of the instruction at the Air Force Institute of Technology that is received by members of the armed forces detailed for that instruction by the Secretaries of the Army, Navy, and Homeland Security, respectively.

"(2) Members of the Army, Navy, Marine Corps, and Coast Guard may only be detailed for instruction at the Institute on a space-available basis.

"(3) In the case of an enlisted member of the Army, Navy, Marine Corps, and Coast Guard permitted to receive instruction at the Institute, the Secretary of the Air Force shall charge that member only for such costs and fees as the Secretary considers appropriate (taking into consideration the admission of enlisted members on a space-available basis).".

(b) STYLISTIC AMENDMENTS.—(1) Subsection (a) of such section is amended by inserting "AUTHORITY TO CONFER DEGREES.—" after "(a)".

(2) Subsection (b) of such section is amended by inserting "CIVILIAN FACULTY.—" after "(b)".

(c) CLARIFYING AMENDMENT.—Subsection (a) of such section is further amended—

(1) by striking "When the" and all that follows through "the Commander" and inserting "(1) The Commander";

(2) by striking "that Institute" and inserting "the United States Air Force Institute of Technology"; and

(3) by adding at the end the following new paragraph:

"(2) The authority under this subsection to confer a degree is effective only during a period when the United States Air Force Institute of Technology is accredited with respect to the award of that degree by a nationally recognized accreditation association or authority.".

SEC. 534. INCLUSION OF ACCRUED INTEREST IN AMOUNTS THAT MAY BE REPAID UNDER SELECTED RESERVE CRITICAL SPECIALTIES EDUCATION LOAN REPAYMENT PROGRAM.

Section 16301 of title 10, United States Code, is amended—

(1) in subsection (b), by inserting before the period at the end the following: ", plus the amount of any interest that may accrue during the current year"; and

(2) in subsection (c), by adding at the end the following new sentence: "For the purposes of this section, any interest that has accrued on the loan for periods before the current year shall be considered as within the total loan amount that shall be repaid.".

SEC. 535. FUNDING OF EDUCATION ASSISTANCE ENLISTMENT INCENTIVES TO FACILITATE NATIONAL SERVICE THROUGH DEPARTMENT OF DEFENSE EDUCATION BENEFITS FUND.

(a) IN GENERAL.—Subsection (j) of section 510 of title 10, United States Code, is amended to read as follows:

"(j) FUNDING.—(1) Amounts for the payment of incentives under paragraphs (1) and (2) of subsection (e) shall be derived from amounts available to the Secretary of the military department concerned for the payment of pay, allowances and other expenses of the members of the armed force concerned.

"(2) Amounts for the payment of incentives under paragraphs (3) and (4) of subsection (e) shall be derived from the Department of Defense Education Benefits Fund under section 2006 of this title.".

(b) CONFORMING AMENDMENTS.—Section 2006(b) of such title is amended—

(1) in paragraph (1), by inserting "paragraphs (3) and (4) of section 510(e) and" after "Department of Defense benefits under"; and

(2) in paragraph (2), by adding at the end the following new subparagraph:

"(E) The present value of future benefits payable from the Fund for educational assistance under paragraphs (3) and (4) of section 510(e) of this title to persons who during such period become entitled to such assistance.".

SEC. 536. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2004.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $30,000,000 shall be available only for the purpose of providing educational agencies assistance to local educational agencies.

Deadline.

(b) NOTIFICATION.—Not later than June 30, 2004, the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 2004 of—

(1) that agency's eligibility for the assistance; and

(2) the amount of the assistance for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

(1) The term "educational agencies assistance" means assistance authorized under section 386(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(2) The term "local educational agency" has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 537. IMPACT AID ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.

(a) TRANSITION.—Section 8003(b)(2)(H) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)(H)) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) ELIGIBILITY.—For any fiscal year, a heavily impacted local educational agency that received a basic support payment under this paragraph for the prior fiscal year, but is ineligible for such payment for the current fiscal year under subparagraph (B), (C), (D), or (E), as the case may be, by reason of the conversion of military housing units to private housing described in clause (iii), shall be deemed to meet the eligibility requirements under subparagraph (B) or (C), as the case may be, for the period during which the housing units are undergoing such conversion.

"(ii) AMOUNT OF PAYMENT.—The amount of a payment to a heavily impacted local educational agency for a fiscal year by reason of the application of clause (i), and calculated in accordance with subparagraph (D) or (E), as the case may be, shall be based on the number of children in average daily attendance in the schools of such agency for the fiscal year and under the same provisions of subparagraph (D) or (E) under which the agency was paid during the prior fiscal year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect beginning with basic support payments under section 8003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)) for fiscal year 2003.

20 USC 7703 note.

Subtitle D—Administrative Matters

SEC. 541. HIGH-TEMPO PERSONNEL MANAGEMENT AND ALLOWANCE.

(a) DEPLOYMENT MANAGEMENT.—Subsection (a) of section 991 of title 10, United States Code, is amended to read as follows:

"(a) MANAGEMENT RESPONSIBILITIES.—(1) The deployment (or potential deployment) of a member of the armed forces shall be managed to ensure that the member is not deployed, or continued in a deployment, on any day on which the total number of days on which the member has been deployed—

"(A) out of the preceding 365 days would exceed the one-year high-deployment threshold; or

"(B) out of the preceding 730 days would exceed the two-year high-deployment threshold.

"(2) In this subsection:

"(A) The term 'one-year high-deployment threshold' means—

"(i) 220 days; or

"(ii) a lower number of days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness.

"(B) The term 'two-year high-deployment threshold' means—

"(i) 400 days; or

"(ii) a lower number of days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness.

"(3) A member may be deployed, or continued in a deployment, without regard to paragraph (1) if the deployment, or continued deployment, is approved by the Secretary of Defense. The authority of the Secretary under the preceding sentence may only be delegated to—

"(A) a civilian officer of the Department of Defense appointed by the President, by and with the advise and consent of the Senate, or a member of the Senior Executive Service; or

"(B) a general or flag officer in that member's chain of command (including an officer in the grade of colonel, or in the case of the Navy, captain, serving in a general or flag officer position who has been selected for promotion to the grade of brigadier general or rear admiral (lower half) in a report of a selection board convened under section 611(a) or 14101(a) of this title that has been approved by the President).".

(b) CHANGES FROM PER DIEM TO HIGH-DEPLOYMENT ALLOWANCE.—(1) Subsection (a) of section 436 of title 37, United States Code, is amended to read as follows:

"(a) MONTHLY ALLOWANCE.—The Secretary of the military department concerned shall pay a high-deployment allowance to a member of the armed forces under the Secretary's jurisdiction for each month during which the member—

"(1) is deployed; and

"(2) at any time during that month—

"(A) has been deployed for 191 or more consecutive days (or a lower number of consecutive days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness);

"(B) has been deployed, out of the preceding 730 days, for a total of 401 or more days (or a lower number of days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness); or

"(C) in the case of a member of a reserve component, is on active duty—

"(i) under a call or order to active duty for a period of more than 30 days that is the second (or later) such call or order to active duty (whether voluntary or involuntary) for that member in support of the same contingency operation; or

"(ii) for a period of more than 30 days under a provision of law referred to in section 101(a)(13)(B) of title 10, if such period begins within one year after the date on which the member was released from previous service on active duty for a period of more than 30 days under a call or order issued under such a provision of law.".

(2) Subsection (c) of such section is amended to read as follows:

"(c) RATE.—The monthly rate of the allowance payable to a member under this section shall be determined by the Secretary concerned, not to exceed $1,000 per month.".

(3) Such section is further amended by adding at the end the following new subsections:

"(g) AUTHORITY TO EXCLUDE CERTAIN DUTY ASSIGNMENTS.—The Secretary concerned may exclude members serving in specified duty assignments from eligibility for the high-deployment allowance while serving in those assignments. Any such specification of duty assignments may only be made with the approval of the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness. Specification of a particular duty assignment for purposes of this subsection may not be implemented so as to apply to the member serving in that position at the time of such specification.

"(h) PAYMENT FROM OPERATION AND MAINTENANCE FUNDS.—The monthly allowance payable to a member under this section shall be paid from appropriations available for operation and maintenance for the armed force in which the member serves.".

(4) Such section is further amended—

(A) in subsection (d), by striking "per diem";

(B) in subsection (e), by striking "per diem" and inserting "allowance"; and

(C) in subsection (f)—

(i) by striking "per diem" and inserting "allowance"; and

(ii) by striking "day on which" and inserting "month during which".

(5)(A) The heading of such section is amended to read as follows:

"§ 436. High-deployment allowance: lengthy or numerous deployments; frequent mobilizations".

(B) The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended to read as follows:

"436. High-deployment allowance: lengthy or numerous deployments; frequent mobilizations.".

(c) CHANGES TO REPORTING REQUIREMENT.—Section 487(b)(5) of title 10, United States Code, is amended to read as follows:

"(5) For each of the armed forces, the description shall indicate, for the period covered by the report—

"(A) the number of members who received the high-deployment allowance under section 436 of title 37;

"(B) the number of members who received each rate of allowance paid;

"(C) the number of members who received the allowance for one month, for two months, for three months, for four months, for five months, for six months, and for more than six months; and

"(D) the total amount spent on the allowance.".

SEC. 542. ENHANCED RETENTION OF ACCUMULATED LEAVE FOR HIGH-DEPLOYMENT MEMBERS.

(a) ENHANCED AUTHORITY TO RETAIN ACCUMULATED LEAVE.—Paragraph (1) of section 701(f) of title 10, United States Code, is amended to read as follows:

"(f)(1)(A) The Secretary concerned, under uniform regulations to be prescribed by the Secretary of Defense, may authorize a member described in subparagraph (B) who, except for this paragraph, would lose any accumulated leave in excess of 60 days at the end of the fiscal year, to retain an accumulated total of 120 days leave.

"(B) This subsection applies to a member who serves on active duty for a continuous period of at least 120 days—

"(i) in an area in which the member is entitled to special pay under section 310(a) of title 37; or

"(ii) while assigned to a deployable ship or mobile unit or to other duty comparable to that specified in clause (i) that is designated for the purpose of this subsection.

"(C) Except as provided in paragraph (2), leave in excess of 60 days accumulated under this paragraph is lost unless it is used by the member before the end of the third fiscal year after the fiscal year in which the continuous period of service referred to in subparagraph (B) terminated.".

10 USC 701 note. (b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2003, or the date of the enactment of this Act, whichever is later.

SEC. 543. STANDARDIZATION OF STATUTORY AUTHORITIES FOR EXEMPTIONS FROM REQUIREMENT FOR ACCESS TO SECONDARY SCHOOLS BY MILITARY RECRUITERS.

(a) CONSISTENCY WITH ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Paragraph (5) of section 503(c) of title 10, United States Code, is amended by striking "apply to—" and all that follows through "school which" and inserting "apply to a private secondary school that".

(b) CORRECTION OF CROSS REFERENCE.—Paragraph (6)(A)(i) of such section is amended by striking "14101" and "8801" and inserting "9101" and "7801", respectively.

SEC. 544. PROCEDURES FOR CONSIDERATION OF APPLICATIONS FOR AWARD OF THE PURPLE HEART MEDAL TO VETERANS HELD AS PRISONERS OF WAR BEFORE APRIL 25, 1962.

Section 521 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 309; 10 U.S.C. 1129 note) is amended by adding at the end the following new subsection:

"(d) PROCEDURES FOR AWARD.—In determining whether a former prisoner of war who submits an application for the award of the Purple Heart under subsection (a) is eligible for that award, the Secretary concerned shall apply the following procedures:

“(1) Failure of the applicant to provide any documentation as required by the Secretary shall not in itself disqualify the application from being considered.

“(2) In evaluating the application, the Secretary shall consider (A) historical information as to the prison camp or other circumstances in which the applicant was held captive, and (B) the length of time that the applicant was held captive.

“(3) To the extent that information is readily available, the Secretary shall assist the applicant in obtaining information or identifying the sources of information referred to in paragraph (2).

“(4) The Secretary shall review a completed application under this section based upon the totality of the information presented, taking into account the length of time between the period during which the applicant was held as a prisoner of war and the date of the application.”.

SEC. 545. AUTHORITY FOR RESERVE AND RETIRED REGULAR OFFICERS TO HOLD STATE AND LOCAL OFFICE NOTWITHSTANDING CALL TO ACTIVE DUTY.

Section 973(b) of title 10, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5);

(2) in paragraph (3)—

(A) by inserting “by reason of subparagraph (A) of paragraph (1)” after “applies”; and

(B) by striking “, the District of Columbia,” and all that follows through “such government)” and inserting “(or of any political subdivision of a State)”; and

(3) by inserting after paragraph (3) the following new paragraph (4):

“(4)(A) An officer to whom this subsection applies by reason of subparagraph (B) or (C) of paragraph (1) may not hold, by election or appointment, a civil office in the government of a State (or of any political subdivision of a State) if the holding of such office while this subsection so applies to the officer—

“(i) is prohibited under the laws of that State; or

“(ii) as determined by the Secretary of Defense or by the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, interferes with the performance of the officer’s duties as an officer of the armed forces.

“(B) Except as otherwise authorized by law, while an officer referred to in subparagraph (A) is serving on active duty, the officer may not exercise the functions of a civil office held by the officer as described in that subparagraph.”; and

(4) by adding at the end the following:

“(6) In this subsection, the term ‘State’ includes the District of Columbia and a territory, possession, or commonwealth of the United States.”.

SEC. 546. POLICY ON PUBLIC IDENTIFICATION OF CASUALTIES.

10 USC 113 note.

Deadline.

(a) REQUIREMENT FOR POLICY.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe the policy of the Department of Defense on public release of the name or other personally identifying information of any member of the Army, Navy, Air Force, or Marine Corps who while on active duty or performing inactive-duty training is killed or injured, whose duty status becomes unknown, or who is otherwise considered to be a casualty.

(b) GUIDANCE ON TIMING OF RELEASE.—The policy under subsection (a) shall include guidance for ensuring that any public release of information on a member under the policy occurs only after the lapse of an appropriate period following notification of the next-of-kin regarding the casualty status of such member.

10 USC 2271 note.

SEC. 547. SPACE PERSONNEL CAREER FIELDS.

(a) STRATEGY REQUIRED.—The Secretary of Defense shall develop a strategy for the Department of Defense that will—

(1) promote the development of space personnel career fields within each of the military departments; and

(2) ensure that the space personnel career fields developed by the military departments are integrated with each other to the maximum extent practicable.

Deadline.

(b) REPORT.—Not later than February 1, 2004, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the strategy developed under subsection (a). The report shall include the following:

(1) A statement of the strategy developed under subsection (a), together with an explanation of that strategy.

(2) An assessment of the measures required for the Department of Defense and the military departments to integrate the space personnel career fields of the military departments.

(3) A comprehensive assessment of the adequacy of the actions of the Secretary of Air Force pursuant to section 8084 of title 10, United States Code, to establish for Air Force officers a career field for space.

(c) GENERAL ACCOUNTING OFFICE REVIEW AND REPORTS.—(1) The Comptroller General shall review the strategy developed under subsection (a) and the status of efforts by the military departments in developing space personnel career fields.

(2) The Comptroller General shall submit to the committees referred to in subsection (b) two reports on the review under paragraph (1), as follows:

Deadline.

(A) Not later than June 15, 2004, the Comptroller General shall submit a report that assesses how effective that Department of Defense strategy and the efforts by the military departments, when implemented, are likely to be for developing the personnel required by each of the military departments who are expert in development of space doctrine and concepts of space operations, the development of space systems, and operation of space systems.

Deadline.

(B) Not later than March 15, 2005, the Comptroller General shall submit a report that assesses, as of the date of the report—

(i) the effectiveness of that Department of Defense strategy and the efforts by the military departments in developing the personnel required by each of the military departments who are expert in development of space doctrine and concepts of space operations, the development of space systems, and in operation of space systems; and

(ii) progress made in integrating the space career fields of the military departments.

SEC. 548. DEPARTMENT OF DEFENSE JOINT ADVERTISING, MARKET RESEARCH, AND STUDIES PROGRAM.

10 USC 503.

(a) PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a joint advertising, market research, and studies program to complement the recruiting advertising programs of the military departments and improve the ability of the military departments to attract and recruit qualified individuals to serve in the Armed Forces.

(b) FUNDING.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $7,500,000 may be made available to carry out the joint advertising, market research, and studies program.

SEC. 549. LIMITATION ON FORCE STRUCTURE REDUCTIONS IN NAVAL AND MARINE CORPS RESERVE AVIATION SQUADRONS.

The Secretary of the Navy may not reduce or disestablish a Naval Reserve or Marine Corps Reserve aviation squadron before February 1, 2004.

Subtitle E—Military Justice Matters

SEC. 551. EXTENDED LIMITATION PERIOD FOR PROSECUTION OF CHILD ABUSE CASES IN COURTS-MARTIAL.

Subsection (b) of section 843 of title 10, United States Code (article 43 of the Uniform Code of Military Justice), is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2)(A) A person charged with having committed a child abuse offense against a child is liable to be tried by court-martial if the sworn charges and specifications are received before the child attains the age of 25 years by an officer exercising summary court-martial jurisdiction with respect to that person.

"(B) In subparagraph (A), the term 'child abuse offense' means an act that involves sexual or physical abuse of a person who has not attained the age of 16 years and constitutes any of the following offenses:

"(i) Rape or carnal knowledge in violation of section 920 of this title (article 120).

"(ii) Maiming in violation of section 924 of this title (article 124).

"(iii) Sodomy in violation of section 925 of this title (article 126).

"(iv) Aggravated assault or assault consummated by a battery in violation of section 928 of this title (article 128).

"(v) Indecent assault, assault with intent to commit murder, voluntary manslaughter, rape, or sodomy, or indecent acts or liberties with a child in violation of section 934 of this title (article 134).".

SEC. 552. CLARIFICATION OF BLOOD ALCOHOL CONTENT LIMIT FOR THE OFFENSE UNDER THE UNIFORM CODE OF MILITARY JUSTICE OF DRUNKEN OPERATION OF A VEHICLE, AIRCRAFT, OR VESSEL.

Section 911 of title 10, United States Code (article 111 of the Uniform Code of Military Justice), is amended—

(1) in subsection (a)(2), by striking "is in excess of" and inserting "is equal to or exceeds"; and

(2) in subsection (b)—

(A) in paragraph (1), by striking subparagraph (A) and inserting the following:

"(A) In the case of the operation or control of a vehicle, aircraft, or vessel in the United States, such limit is the lesser of—

"(i) the blood alcohol content limit under the law of the State in which the conduct occurred, except as may be provided under paragraph (2) for conduct on a military installation that is in more than one State; or

"(ii) the blood alcohol content limit specified in paragraph (3).";

(B) in paragraphs (1)(B) and (3), by striking "maximum"; and

(C) in paragraph (4)(A), by striking "maximum permissible" and all that follows through the period at the end and inserting "amount of alcohol concentration in a person's blood or breath at which operation or control of a vehicle, aircraft, or vessel is prohibited.".

Subtitle F—Benefits

SEC. 561. ADDITIONAL CLASSES OF INDIVIDUALS ELIGIBLE TO PARTICIPATE IN THE FEDERAL LONG-TERM CARE INSURANCE PROGRAM.

(a) CERTAIN EMPLOYEES OF THE DISTRICT OF COLUMBIA GOVERNMENT.—Section 9001(1) of title 5, United States Code, is amended by striking "2105(c)," and all that follows and inserting "2105(c).".

(b) FORMER FEDERAL EMPLOYEES WHO WOULD BE ELIGIBLE TO BEGIN RECEIVING AN ANNUITY UPON ATTAINING THE REQUISITE MINIMUM AGE.—Section 9001(2) of title 5, United States Code, is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking the period and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) any former employee who, on the basis of his or her service, would meet all requirements for being considered an 'annuitant' within the meaning of subchapter III of chapter 83, chapter 84, or any other retirement system for employees of the Government, but for the fact that such former employee has not attained the minimum age for title to annuity.".

(c) RESERVISTS TRANSFERRED TO THE RETIRED RESERVE WHO ARE UNDER AGE 60.—Section 9001(4) of title 5, United States Code, is amended by striking "including" and all that follows through "who has" and inserting "and a member who has been transferred to the Retired Reserve and who would be entitled to retired pay under chapter 1223 of title 10 but for not having".

(d) REFERENCE AMENDMENT.—Section 9001(2)(A) of title 5, United States Code, as amended by subsection (b), is further amended by striking "of this subsection".

SEC. 562. AUTHORITY TO TRANSPORT REMAINS OF RETIREES AND RETIREE DEPENDENTS WHO DIE IN MILITARY TREATMENT FACILITIES.

(a) AUTHORIZED TRANSPORTATION.—Section 1490 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "located in the United States"; and

(2) in subsection (b)(1), by striking "outside the United States or to a place".

(b) CONFORMING AMENDMENT.—Subsection (c) of such section is amended to read as follows:

"(c) DEFINITION OF DEPENDENT.—In this section, the term 'dependent' has the meaning given such term in section 1072(2) of this title.".

Applicability.
10 USC 1490 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to persons dying on or after the date of the enactment of this Act.

SEC. 563. ELIGIBILITY FOR DEPENDENTS OF CERTAIN MOBILIZED RESERVISTS STATIONED OVERSEAS TO ATTEND DEFENSE DEPENDENTS SCHOOLS OVERSEAS.

(a) TUITION STATUS PARITY WITH DEPENDENTS OF OTHER RESERVISTS.—Section 1404(c) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 923(c)) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following new paragraph:

"(2)(A) The Secretary shall include in the regulations prescribed under this subsection a requirement that children in the class of children described in subparagraph (B) shall be subject to the same tuition requirements, or waiver of tuition requirements, as children in the class of children described in subparagraph (C).

"(B) The class of children described in this subparagraph are children of members of reserve components of the Armed Forces who—

"(i) are on active duty under an order to active duty under section 12301 or 12302 of title 10, United States Code;

"(ii) were ordered to active duty from a location in the United States (other than in Alaska or Hawaii); and

"(iii) are serving on active duty outside the United States or in Alaska or Hawaii.

"(C) The class of children described in this subparagraph are children of members of reserve components of the Armed Forces who—

"(i) are on active duty under an order to active duty under section 12301 or 12302 of title 10, United States Code;

"(ii) were ordered to active duty from a location outside the United States (or in Alaska or Hawaii); and

"(iii) are serving on active duty outside the United States or in Alaska or Hawaii.".

(b) CLERICAL AMENDMENT.—The heading of such section is amended to read as follows:

"SPACE-AVAILABLE ENROLLMENT OF STUDENTS; TUITION".

Subtitle G—Domestic Violence

SEC. 571. TRAVEL AND TRANSPORTATION FOR DEPENDENTS RELOCATING FOR REASONS OF PERSONAL SAFETY.

Section 406(h) of title 37, United States Code, is amended by adding at the end the following new paragraph:

"(4)(A) If a determination described in subparagraph (B) is made with respect to a dependent of a member described in that subparagraph and a request described in subparagraph (C) is made by or on behalf of that dependent, the Secretary may provide a benefit authorized for a member under paragraph (1) or (3) to that dependent in lieu of providing such benefit to the member.

"(B) A determination described in this subparagraph is a determination by the commanding officer of a member that—

"(i) the member has committed a dependent-abuse offense against a dependent of the member;

"(ii) a safety plan and counseling have been provided to that dependent;

"(iii) the safety of the dependent is at risk; and

"(iv) the relocation of the dependent is advisable.

"(C) A request described in this subparagraph is a request by the spouse of a member, or by the parent of a dependent child in the case of a dependent child of a member, for relocation.

"(D) Transportation may be provided under this paragraph for household effects or a motor vehicle only if a written agreement of the member, or an order of a court of competent jurisdiction, gives possession of the effects or vehicle to the spouse or dependent of the member concerned.

"(E) In this paragraph, the term 'dependent-abuse offense' means an offense described in section 1059(c) of title 10.".

SEC. 572. COMMENCEMENT AND DURATION OF PAYMENT OF TRANSITIONAL COMPENSATION.

(a) COMMENCEMENT.—Paragraph (1)(A) of section 1059(e) of title 10, United States Code, is amended by striking "shall commence" and all that follows and inserting "shall commence—

"(i) as of the date the court-martial sentence is adjudged if the sentence, as adjudged, includes a dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances; or

"(ii) if there is a pretrial agreement that provides for disapproval or suspension of the dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances, as of the date of the approval of the court-martial sentence by the person acting under section 860(c) of this title (article 60(c) of the Uniform Code of Military Justice) if the sentence, as approved, includes an unsuspended dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances; and".

(b) DURATION.—(1) Paragraph (2) of such section is amended by striking "a period of 36 months" and all that follows through "12 months" and inserting "a period of not less than 12 months and not more than 36 months, as established in policies prescribed by the Secretary concerned".

(2) Policies under subsection (e)(2) of section 1059 of title 10, United States Code, as amended by paragraph (1), for the duration of transitional compensation payments under that section shall be prescribed under such subsection not later than six months after the date of the enactment of this Act. 10 USC 1059 note.

(c) TERMINATION.—Paragraph (3)(A) of such section is amended by striking "punishment applicable to the member under the sentence is remitted, set aside, or mitigated" and inserting "conviction is disapproved by the person acting under section 860(c) of this title (article 60(c) of the Uniform Code of Military Justice) or set aside, or each such punishment applicable to the member under the sentence is disapproved by the person acting under section 860(c) of this title, remitted, set aside, suspended, or mitigated". 10 USC 1059.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to cases in which a court-martial sentence is adjudged on or after the date of the enactment of this Act. Applicability. 10 USC 1059 note.

SEC. 573. EXCEPTIONAL ELIGIBILITY FOR TRANSITIONAL COMPENSATION.

(a) AUTHORITY.—Section 1059 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(m) EXCEPTIONAL ELIGIBILITY FOR DEPENDENTS OF FORMER MEMBERS.—(1) The Secretary concerned, under regulations prescribed under subsection (k), may authorize eligibility for benefits under this section for dependents and former dependents of a former member of the armed forces in a case in which the dependents or former dependents are not otherwise eligible for such benefits and the Secretary concerned determines that the former member engaged in conduct that is a dependent-abuse offense under this section and the former member was separated from active duty other than as described in subsection (b).

"(2) In a case in which the Secretary concerned, under the authority of paragraph (1), authorizes benefits to be provided under this section, such benefits shall be provided in the same manner as if the former member were an individual described in subsection (b), except that, under regulations prescribed under subsection (k), the Secretary shall make such adjustments to the commencement and duration of payment provisions of subsection (e), and may make adjustments to other provisions of this section, as the Secretary considers necessary in light of the circumstances in order to provide benefits substantially equivalent to the benefits provided in the case of an individual described in subsection (b).

"(3) The authority of the Secretary concerned under paragraph (1) may not be delegated.".

(b) EFFECTIVE DATE.—The authority under subsection (m) of section 1059 of title 10, United States Code, as added by subsection (a), may be exercised with respect to eligibility for benefits under that section only for dependents and former dependents of individuals who are separated from active duty in the Armed Forces on or after the date of the enactment of this Act. 10 USC 1059 note.

SEC. 574. TYPES OF ADMINISTRATIVE SEPARATIONS TRIGGERING COVERAGE.

Section 1059(b)(2) of title 10, United States Code, is amended by inserting ", voluntarily or involuntarily," after "administratively separated".

10 USC 1562 note.

SEC. 575. COMPTROLLER GENERAL REVIEW AND REPORT.

(a) REVIEW.—During the two-year period beginning on the date of the enactment of this Act, the Comptroller General shall review and assess the progress of the Department of Defense in implementing the recommendations of the Defense Task Force on Domestic Violence. In reviewing the status of the Department's efforts, the Comptroller General should specifically focus on—

(1) the efforts of the Department to ensure confidentiality for victims and accountability and education of commanding officers and chaplains; and

(2) the resources that the Department of Defense has provided toward such implementation, including personnel, facilities, and other administrative support, in order to ensure that necessary resources are provided to the organization within the Office of the Secretary of Defense with direct responsibility for oversight of implementation by the military departments of recommendations of the Task Force in order for that organization to carry out its duties and responsibilities.

Deadline.

(b) REPORT.—The Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the results of the review and assessment under subsection (a) not later than 30 months after the date of the enactment of this Act.

SEC. 576. FATALITY REVIEWS.

(a) ARMY.—(1) Part II of subtitle B of title 10, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 375—MISCELLANEOUS INVESTIGATION REQUIREMENTS AND OTHER DUTIES

"Sec.
"4061. Fatality reviews.

"§ 4061. Fatality reviews

"(a) REVIEW OF FATALITIES.—The Secretary of the Army shall conduct a multidisciplinary, impartial review (referred to as a 'fatality review') in the case of each fatality known or suspected to have resulted from domestic violence or child abuse against any of the following:

"(1) A member of the Army on active duty.

"(2) A current or former dependent of a member of the Army on active duty.

"(3) A current or former intimate partner who has a child in common or has shared a common domicile with a member of the Army on active duty.

"(b) MATTERS TO BE INCLUDED.—The report of a fatality review under subsection (a) shall, at a minimum, include the following:

"(1) An executive summary.

"(2) Data setting forth victim demographics, injuries, autopsy findings, homicide or suicide methods, weapons, police information, assailant demographics, and household and family information.

"(3) Legal disposition.

"(4) System intervention and failures, if any, within the Department of Defense.

"(5) A discussion of significant findings.

"(6) Recommendations for systemic changes, if any, within the Department of the Army and the Department of Defense.

"(c) OSD GUIDANCE.—The Secretary of Defense shall prescribe guidance, which shall be uniform for the military departments, for the conduct of reviews by the Secretary under subsection (a).".

(2) The tables of chapters at the beginning of subtitle B, and at the beginning of part II of subtitle B, of such title are each amended by inserting after the item relating to chapter 373 the following new item:

"375. Miscellaneous Investigation Requirements and Other Duties ..... 4061".

(b) NAVY AND MARINE CORPS.—(1) Chapter 555 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 6036. Fatality reviews

"(a) REVIEW OF FATALITIES.—The Secretary of the Navy shall conduct a multidisciplinary, impartial review (referred to as a 'fatality review') in the case of each fatality known or suspected to have resulted from domestic violence or child abuse against any of the following.

"(1) A member of the naval service on active duty.

"(2) A current or former dependent of a member of the naval service on active duty.

"(3) A current or former intimate partner who has a child in common or has shared a common domicile with a member of the naval service on active duty.

"(b) MATTERS TO BE INCLUDED.—The report of a fatality review under subsection (a) shall, at a minimum, include the following:

"(1) An executive summary.

"(2) Data setting forth victim demographics, injuries, autopsy findings, homicide or suicide methods, weapons, police information, assailant demographics, and household and family information.

"(3) Legal disposition.

"(4) System intervention and failures, if any, within the Department of Defense.

"(5) A discussion of significant findings.

"(6) Recommendations for systemic changes, if any, within the Department of the Navy and the Department of Defense.

"(c) OSD GUIDANCE.—The Secretary of Defense shall prescribe guidance, which shall be uniform for the military departments, for the conduct of reviews by the Secretary under subsection (a).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"6036. Fatality reviews.".

(c) AIR FORCE.—(1) Part II of subtitle D of such title is amended by adding at the end the following new chapter:

“CHAPTER 875—MISCELLANEOUS INVESTIGATION REQUIREMENTS AND OTHER DUTIES

“Sec.
“9061. Fatality reviews.

“§ 9061. Fatality reviews

“(a) REVIEW OF FATALITIES.—The Secretary of the Air Force shall conduct a multidisciplinary, impartial review (referred to as a ‘fatality review’) in the case of each fatality known or suspected to have resulted from domestic violence or child abuse against any of the following:

“(1) A member of the Air Force on active duty.

“(2) A current or former dependent of a member of the Air Force on active duty.

“(3) A current or former intimate partner who has a child in common or has shared a common domicile with a member of the Air Force on active duty.

“(b) MATTERS TO BE INCLUDED.—The report of a fatality review under subsection (a) shall, at a minimum, include the following:

“(1) An executive summary.

“(2) Data setting forth victim demographics, injuries, autopsy findings, homicide or suicide methods, weapons, police information, assailant demographics, and household and family information.

“(3) Legal disposition.

“(4) System intervention and failures, if any, within the Department of Defense.

“(5) A discussion of significant findings.

“(6) Recommendations for systemic changes, if any, within the Department of the Air Force and the Department of Defense.

“(c) OSD GUIDANCE.—The Secretary of Defense shall prescribe guidance, which shall be uniform for the military departments, for the conduct of reviews by the Secretary under subsection (a).”.

(2) The tables of chapters at the beginning of subtitle D, and at the beginning of part II of subtitle D, of such title are each amended by inserting after the item relating to chapter 873 the following new item:

“875. Miscellaneous Investigation Requirements and Other Duties ..... 9061”.

10 USC 4061 note.

(d) APPLICABILITY.—Sections 4061, 6036, and 9061 of title 10, United States Code, as added by this section, apply with respect to fatalities that occur on or after the date of the enactment of this Act.

SEC. 577. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the Secretary of Defense should develop a Department of Defense strategic plan for domestic violence that incorporates the core principles of domestic violence intervention identified by the Defense Task Force on Domestic Violence in its third annual report under section 591(e) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 10 U.S.C. 1562 note); and

(2) the Secretary of each military department should establish and support a Victim Advocate Protocol as recommended by the Defense Task Force on Domestic Violence.

Subtitle H—Other Matters

SEC. 581. RECOGNITION OF MILITARY FAMILIES.

10 USC 1781 note.

(a) FINDINGS.—Congress makes the following findings:

(1) The families of both active and reserve component members of the Armed Forces, through their sacrifices and their dedication to the Nation and its values, contribute immeasurably to the readiness of the Armed Forces.

(2) Without the continued support of military families, the Nation's ability to sustain a high quality all-volunteer military force would be undermined.

(3) In the perilous and challenging times of the global war on terrorism, with hundreds of thousands of active and reserve component military personnel deployed overseas in places of combat and other imminent danger, military families are making extraordinary sacrifices and will be required to do so for the foreseeable future.

(4) Beginning in 1997, military family service and support centers have responded to the encouragement and support of private, non-profit organizations to recognize and honor the American military family during the Thanksgiving period each November.

(b) MILITARY FAMILY RECOGNITION.—In view of the findings in subsection (a), Congress determines that it is appropriate that special measures be taken annually to recognize and honor the American military family.

(c) DEPARTMENT OF DEFENSE PROGRAMS AND ACTIVITIES.—The Secretary of Defense shall—

(1) implement and sustain programs, including appropriate ceremonies and activities, to recognize and honor the contributions and sacrifices of the American military family, including families of both active and reserve component military personnel;

(2) focus the celebration of the American military family during a specific period of each year to give full and proper recognition to those families; and

(3) seek the assistance and support of appropriate civilian organizations, associations, and other entities (A) in carrying out the annual celebration of the American military family, and (B) in sustaining other, longer-term efforts to support the American military family.

SEC. 582. PERMANENT AUTHORITY FOR SUPPORT FOR CERTAIN CHAPLAIN-LED MILITARY FAMILY SUPPORT PROGRAMS.

(a) IN GENERAL.—(1) Chapter 88 of title 10, United States Code, is amended by inserting at the end of subchapter I the following new section:

"§ 1789. Chaplain-led programs: authorized support

"(a) AUTHORITY.—The Secretary of a military department may provide support services described in subsection (b) to support chaplain-led programs to assist members of the armed forces on active duty and their immediate family members, and members of reserve components in an active status and their immediate family members, in building and maintaining a strong family structure.

"(b) AUTHORIZED SUPPORT SERVICES.—The support services referred to in subsection (a) are costs of transportation, food, lodging, child care, supplies, fees, and training materials for members of the armed forces and their family members while participating in programs referred to in that subsection, including participation at retreats and conferences.

"(c) IMMEDIATE FAMILY MEMBERS.—In this section, the term 'immediate family members', with respect to a member of the armed forces, means—

"(1) the member's spouse; and

"(2) any child (as defined in section 1072(6) of this title) of the member who is described in subparagraph (D) of section 1072(2) of this title.".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1788 the following new item:

"1789. Chaplain-led programs: authorized support.".

10 USC 1789 note.

(b) EFFECTIVE DATE.—Section 1789 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2003.

SEC. 583. DEPARTMENT OF DEFENSE-DEPARTMENT OF VETERANS AFFAIRS JOINT EXECUTIVE COMMITTEE.

(a) ESTABLISHMENT OF JOINT COMMITTEE.—(1) Chapter 3 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 320. Department of Veterans Affairs-Department of Defense Joint Executive Committee

"(a) JOINT EXECUTIVE COMMITTEE.—(1) There is established an interagency committee to be known as the Department of Veterans Affairs-Department of Defense Joint Executive Committee (hereinafter in this section referred to as the 'Committee').

"(2) The Committee is composed of—

"(A) the Deputy Secretary of Veterans Affairs and such other officers and employees of the Department of Veterans Affairs as the Secretary of Veterans Affairs may designate; and

"(B) the Under Secretary of Defense for Personnel and Readiness and such other officers and employees of the Department of Defense as the Secretary of Defense may designate.

"(b) ADMINISTRATIVE MATTERS.—(1) The Deputy Secretary of Veterans Affairs and the Under Secretary of Defense shall determine the size and structure of the Committee, as well as the administrative and procedural guidelines for the operation of the Committee.

"(2) The two Departments shall supply appropriate staff and resources to provide administrative support and services. Support for such purposes shall be provided at a level sufficient for the efficient operation of the Committee, including a subordinate Health Executive Committee, a subordinate Benefits Executive Committee, and such other committees or working groups as considered necessary by the Deputy Secretary and Under Secretary.

"(c) RECOMMENDATIONS.—(1) The Committee shall recommend to the Secretaries strategic direction for the joint coordination and sharing efforts between and within the two Departments under section 8111 of this title and shall oversee implementation of those efforts.

"(2) The Committee shall submit to the two Secretaries and to Congress an annual report containing such recommendations as the Committee considers appropriate.

"(d) FUNCTIONS.—In order to enable the Committee to make recommendations in its annual report under subsection (c)(2), the Committee shall do the following:

"(1) Review existing policies, procedures, and practices relating to the coordination and sharing of resources between the two Departments.

"(2) Identify changes in policies, procedures, and practices that, in the judgment of the Committee, would promote mutually beneficial coordination, use, or exchange of use of services and resources of the two Departments, with the goal of improving the quality, efficiency and effectiveness of the delivery of benefits and services to veterans, service members, military retirees, and their families through an enhanced Department of Veterans Affairs and Department of Defense partnership.

"(3) Identify and assess further opportunities for the coordination and collaboration between the Departments that, in the judgment of the Committee, would not adversely affect the range of services, the quality of care, or the established priorities for benefits provided by either Department.

"(4) Review the plans of both Departments for the acquisition of additional resources, especially new facilities and major equipment and technology, in order to assess the potential effect of such plans on further opportunities for the coordination and sharing of resources.

"(5) Review the implementation of activities designed to promote the coordination and sharing of resources between the Departments.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"320. Department of Veterans Affairs-Department of Defense Joint Executive Committee.".

(b) CONFORMING AMENDMENTS.—(1) Subsection (c) of section 8111 of such title is repealed.

(2) Such section is further amended—

(A) in subsection (b)(2), by striking "the interagency committee provided for under subsection (c)" and inserting "the Department of Veterans Affairs-Department of Defense Joint Executive Committee under section 320 of this title";

(B) in subsection (d)(1), by striking "Committee established in subsection (c)" and inserting "Department of Veterans Affairs-Department of Defense Joint Executive Committee";

(C) in subsection (e)(1), by striking "Committee under subsection (c)(2)" and inserting "Department of Veterans Affairs-Department of Defense Joint Executive Committee with respect to health care resources"; and

(D) in subsection (f)(2), by striking subparagraphs (B) and (C) and inserting the following:

"(B) The assessment of further opportunities identified by the Department of Veterans Affairs-Department of Defense Joint Executive Committee under subsection (d)(3) of section

320 of this title for the sharing of health-care resources between the two Departments.

"(C) Any recommendation made by that committee under subsection (c)(2) of that section during that fiscal year.".

(c) TECHNICAL AMENDMENTS.—Subsection (f) of such section is further amended by inserting "(Public Law 107–314)" in paragraphs (3), (4)(A), (4)(B), and (5) after "for Fiscal Year 2003".

(d) EFFECTIVE DATE.—(1) If this Act is enacted before October 1, 2003—

(A) section 320 of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 2003; and

(B) the amendments made by subsections (b) and (c) shall take effect on October 1, 2003, immediately after the amendment made by section 721(a)(1) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2589).

38 USC 320 note.

(2) If this Act is enacted on or after October 1, 2003, the amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 584. REVIEW OF THE 1991 DEATH OF MARINE CORPS COLONEL JAMES E. SABOW.

Deadline.

(a) REVIEW REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall commence a review, as specified in subsection (c), of the death of Colonel James S. Sabow, United States Marine Corps, who died on January 22, 1991, at the Marine Corps Air Station, El Toro, California.

(b) FOCUS OF REVIEW.—The principal focus of the review under subsection (a) shall be to determine the cause of the death of Colonel Sabow, given the medical and forensic factors associated with that death.

(c) REVIEW BY OUTSIDE EXPERTS.—The Secretary of Defense shall provide that the evidence concerning the cause of the death of Colonel Sabow and the medical and forensic factors associated with that death shall be reviewed by medical and forensic experts outside the Department of Defense.

Deadline.

(d) REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a written report on the findings of the review under subsection (a). The Secretary shall include in the report (1) the Secretary's conclusions as a result of the review, including the Secretary's conclusions regarding the cause of death of Colonel Sabow, and (2) the conclusions of the experts reviewing the matter under subsection (c).

10 USC 991 note.

SEC. 585. POLICY ON CONCURRENT DEPLOYMENT TO COMBAT ZONES OF BOTH MILITARY SPOUSES OF MILITARY FAMILIES WITH MINOR CHILDREN.

Deadline.

(a) PUBLICATION OF POLICY.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall—

(1) prescribe the policy of the Department of Defense on concurrent deployment to a combat zone of both spouses of a dual-military family with one or more minor children; and

(2) transmit the policy to the Committees on Armed Services of the Senate and the House of Representatives.

(b) DUAL-MILITARY FAMILY DEFINED.—In this section, the term "dual-military family" means a family in which both spouses are members of the Armed Forces.

SEC. 586. CONGRESSIONAL NOTIFICATION OF AMENDMENT OR CANCELLATION OF DEPARTMENT OF DEFENSE DIRECTIVE RELATING TO REASONABLE ACCESS TO MILITARY INSTALLATIONS FOR CERTAIN PERSONAL COMMERCIAL SOLICITATION.

An amendment to Department of Defense Directive 1344.7, "Personal Commercial Solicitation on DoD Installations", or cancellation of that directive, shall not take effect until the end of the 30-day period beginning on the date on which the Secretary of Defense submits to Congress notice of the amendment or cancellation and the reasons therefor.

SEC. 587. STUDY OF NATIONAL GUARD CHALLENGE PROGRAM.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study to evaluate—

(1) the adequacy and impact of the matching funds requirement in effect under section 509(d) of title 32, United States Code, for States to participate in the National Guard Challenge Program; and

(2) the value of the National Guard Challenge Program to the Department of Defense.

(b) CONSIDERATION OF MATCHING FUND ALTERNATIVES.—As part of the study, the Secretary shall identify potential alternatives to the matching funds structure provided for the National Guard Challenge Program under section 509(d) of title 32, United States Code, such as a range of Federal-State matching ratios, that would provide flexibility in the management of the program to better respond to temporary fiscal conditions.

Deadline.

(c) SUBMISSION OF STUDY.—Not later than March 1, 2004, the Secretary shall submit to Congress a report containing the results of the study and such recommendations as the Secretary considers appropriate in response to the study.

SEC. 588. FINDINGS AND SENSE OF CONGRESS ON REWARD FOR INFORMATION LEADING TO RESOLUTION OF STATUS OF MEMBERS OF THE ARMED FORCES WHO REMAIN UNACCOUNTED FOR.

(a) FINDINGS.—Congress makes the following findings:

(1) The Department of Defense estimates that there are more than 10,000 members of the Armed Forces and others who as a result of activities during the Korean War or the Vietnam War were placed in a missing status or a prisoner of war status, or who were determined to have been killed in action, although remains of those members have not been recovered, and they remain unaccounted for.

(2) One member of the Armed Forces, Navy Captain Michael Scott Speicher, remains unaccounted for from the first Persian Gulf War, and there have been credible reports of his having been seen alive in Iraq in the years since his aircraft was shot down on the first night of that war on January 16, 1991.

(3) The United States should pursue every lead and otherwise maintain a relentless and thorough quest to completely

account for the fates of those members of the Armed Forces who are missing or otherwise unaccounted for.

(4) The Secretary of Defense has the authority to disburse funds as a reward to individuals who provide information leading to the conclusive resolution of cases of missing members of the Armed Forces.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should—

(1) use the authority available to the Secretary to disburse funds rewarding individuals who provide information leading to the conclusive resolution of the status of any missing member of the Armed Forces; and

(2) authorize and publicize a reward of $1,000,000 for information resolving the fate of any member of the Armed Forces, such as Navy Captain Michael Scott Speicher, who the Secretary has reason to believe may be alive in captivity.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2004.
Sec. 602. Revised annual pay adjustment process.
Sec. 603. Computation of basic pay rate for commissioned officers with prior enlisted or warrant officer service.
Sec. 604. Special subsistence allowance authorities for members assigned to high-cost duty location or under other unique and unusual circumstances.
Sec. 605. Basic allowance for housing for each member married to another member without dependents when both spouses are on sea duty.
Sec. 606. Temporary increase in authorized amount of family separation allowance.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.
Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.
Sec. 614. One-year extension of other bonus and special pay authorities.
Sec. 615. Hazardous duty pay for duty involving ski-equipped aircraft on Antarctica or the Arctic icepack.
Sec. 616. Special pay for reserve officers holding positions of unusual responsibility and of critical nature.
Sec. 617. Payment of Selected Reserve reenlistment bonus to members of Selected Reserve who are mobilized.
Sec. 618. Availability of hostile fire and imminent danger special pay for reserve component members on inactive duty.
Sec. 619. Temporary increase in authorized amount of hostile fire and imminent danger special pay.
Sec. 620. Retroactive payment of hostile fire or imminent danger pay for service in eastern Mediterranean Sea in Operation Iraqi Freedom.
Sec. 621. Expansion of overseas tour extension incentive program to officers.
Sec. 622. Repeal of congressional notification requirement for designation of critical military skills for retention bonus.
Sec. 623. Eligibility of warrant officers for accession bonus for new officers in critical skills.
Sec. 624. Special pay for service as member of Weapons of Mass Destruction Civil Support Team.
Sec. 625. Incentive bonus for conversion to military occupational specialty to ease personnel shortage.
Sec. 626. Bonus for reenlistment during service on active duty in Afghanistan, Iraq, or Kuwait.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Shipment of privately owned motor vehicle within continental United States.

Sec. 632. Transportation of dependents to presence of members of the Armed Forces retired for illness or injury incurred in active duty.
Sec. 633. Payment or reimbursement of student baggage storage costs for dependent children of members stationed overseas.
Sec. 634. Contracts for full replacement value for loss or damage to personal property transported at Government expense.
Sec. 635. Payment of lodging expenses of members during authorized leave from temporary duty location.

Subtitle D—Retired Pay and Survivor Benefits

Sec. 641. Phase-in of full concurrent receipt of military retired pay and veterans disability compensation for certain military retirees.
Sec. 642. Revisions to combat-related special compensation program.
Sec. 643. Special rule for computation of retired pay base for commanders of combatant commands.
Sec. 644. Survivor Benefit Plan annuities for surviving spouses of Reserves not eligible for retirement who die from a cause incurred or aggravated while on inactive-duty training.
Sec. 645. Survivor Benefit Plan modifications.
Sec. 646. Increase in death gratuity payable with respect to deceased members of the Armed Forces.
Sec. 647. Death benefits study.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

Sec. 651. Expanded commissary access for Selected Reserve members, reserve retirees under age 60, and their dependents.
Sec. 652. Defense commissary system and exchange stores system.
Sec. 653. Limitations on private operation of defense commissary store functions.
Sec. 654. Use of appropriated funds to operate defense commissary system.
Sec. 655. Recovery of nonappropriated fund instrumentality and commissary store investments in real property at military installations closed or realigned.

Subtitle F—Other Matters

Sec. 661. Comptroller General report on adequacy of special pays and allowances for frequently deployed members.

Subtitle A—Pay and Allowances

37 USC 1009 note.

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2004.

(a) Waiver of Section 1009 Adjustment.—The adjustment to become effective during fiscal year 2004 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

Effective date.

(b) Increase in Basic Pay.—Effective on January 1, 2004, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	7,751.10	8,004.90	8,173.20	8,220.60	8,430.30
O–7	6,440.70	6,739.80	6,878.40	6,988.50	7,187.40
O–6	4,773.60	5,244.30	5,588.40	5,588.40	5,609.70
O–5	3,979.50	4,482.90	4,793.40	4,851.60	5,044.80
O–4	3,433.50	3,974.70	4,239.90	4,299.00	4,545.30
O–3[3]	3,018.90	3,422.40	3,693.90	4,027.20	4,220.10
O–2[3]	2,608.20	2,970.60	3,421.50	3,537.00	3,609.90

COMMISSIONED OFFICERS[1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–1[3]	2,264.40	2,356.50	2,848.50	2,848.50	2,848.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,781.90	8,863.50	9,197.10	9,292.80	9,579.90
O–7	7,384.20	7,611.90	7,839.00	8,066.70	8,781.90
O–6	5,850.00	5,882.10	5,882.10	6,216.30	6,807.30
O–5	5,161.20	5,415.90	5,602.80	5,844.00	6,213.60
O–4	4,809.30	5,137.80	5,394.00	5,571.60	5,673.60
O–3[3]	4,431.60	4,568.70	4,794.30	4,911.30	4,911.30
O–2[3]	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90
O–1[3]	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2]	$0.00	$12,524.70	$12,586.20	$12,847.80	$13,303.80
O–9	0.00	10,954.50	11,112.30	11,340.30	11,738.40
O–8	9,995.70	10,379.10	10,635.30	10,635.30	10,635.30
O–7	9,386.10	9,386.10	9,386.10	9,386.10	9,433.50
O–6	7,154.10	7,500.90	7,698.30	7,897.80	8,285.40
O–5	6,389.70	6,563.40	6,760.80	6,760.80	6,760.80
O–4	5,733.00	5,733.00	5,733.00	5,733.00	5,733.00
O–3[3]	4,911.30	4,911.30	4,911.30	4,911.30	4,911.30
O–2[3]	3,609.50	3,609.50	3,609.50	3,609.50	3,609.50
O–1[3]	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50

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[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O–7 through O–10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, the rate of basic pay for an officer in this grade while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code) is $14,634.20, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] This table does not apply to commissioned officers in pay grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$4,027.20	$4,220.10
O–2E	0.00	0.00	0.00	3,537.00	3,609.90
O–1E	0.00	0.00	0.00	2,848.50	3,042.30
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	$4,431.60	$4,568.70	$4,794.30	$4,984.20	$5,092.80
O–2E	3,724.80	3,918.60	4,068.60	4,180.20	4,180.20
O–1E	3,154.50	3,269.40	3,382.20	3,537.00	3,537.00
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	$5,241.30	$5,241.30	$5,241.30	$5,241.30	$5,241.30

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–2E	4,180.20	4,180.20	4,180.20	4,180.20	4,180.20
O–1E	3,537.00	3,537.00	3,537.00	3,537.00	3,537.00

WARRANT OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5 ...	$0.00	$0.00	$0.00	$0.00	$0.00
W–4 ...	3,119.40	3,355.80	3,452.40	3,547.20	3,710.40
W–3 ...	2,848.80	2,967.90	3,089.40	3,129.30	3,257.10
W–2 ...	2,505.90	2,649.00	2,774.10	2,865.30	2,943.30
W–1 ...	2,212.80	2,394.00	2,515.20	2,593.50	2,802.30
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5 ...	$0.00	$0.00	$0.00	$0.00	$0.00
W–4 ...	3,871.50	4,035.00	4,194.30	4,359.00	4,617.30
W–3 ...	3,403.20	3,595.80	3,786.30	3,988.80	4,140.60
W–2 ...	3,157.80	3,321.60	3,443.40	3,562.20	3,643.80
W–1 ...	2,928.30	3,039.90	3,164.70	3,247.20	3,321.90
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5 ...	$0.00	$5,360.70	$5,544.30	$5,728.80	$5,914.20
W–4 ...	4,782.60	4,944.30	5,112.00	5,277.00	5,445.90
W–3 ...	4,291.80	4,356.90	4,424.10	4,570.20	4,716.30
W–2 ...	3,712.50	3,843.00	3,972.60	4,103.70	4,103.70
W–1 ...	3,443.70	3,535.80	3,535.80	3,535.80	3,535.80

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9[2] ..	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,145.00	2,341.20	2,430.60	2,549.70	2,642.10
E–6	1,855.50	2,041.20	2,131.20	2,218.80	2,310.00
E–5	1,700.10	1,813.50	1,901.10	1,991.10	2,130.60
E–4	1,558.20	1,638.30	1,726.80	1,814.10	1,891.50
E–3	1,407.00	1,495.50	1,585.50	1,585.50	1,585.50
E–2	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E–1[3] ..	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9[2] ..	$0.00	$3,769.20	$3,854.70	$3,962.40	$4,089.30
E–8	3,085.50	3,222.00	3,306.30	3,407.70	3,517.50
E–7	2,801.40	2,891.10	2,980.20	3,139.80	3,219.60
E–6	2,516.10	2,596.20	2,685.30	2,763.30	2,790.90
E–5	2,250.90	2,339.70	2,367.90	2,367.90	2,367.90
E–4	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50

ENLISTED MEMBERS[1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–3	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E–2	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E–1[3] ..	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40

Pay Grade	Over 18	Over 20	Over 22	Over 24	Over 26
E–9[2] ..	$4,216.50	$4,421.10	$4,594.20	$4,776.60	$5,054.70
E–8	3,715.50	3,815.70	3,986.40	4,081.20	4,314.30
E–7	3,295.50	3,341.70	3,498.00	3,599.10	3,855.00
E–6	2,809.80	2,809.80	2,809.80	2,809.80	2,809.80
E–5	2,367.90	2,367.90	2,367.90	2,367.90	2,367.90
E–4	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50
E–3	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E–2	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E–1[3] ..	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, is $6,090.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,104.00.

SEC. 602. REVISED ANNUAL PAY ADJUSTMENT PROCESS.

(a) Requirement for Annual Adjustment.—Subsection (a) of section 1009 of title 37, United States Code, is amended to read as follows:

“(a) Requirement for Annual Adjustment.—Effective on January 1 of each year, the rates of basic pay for members of the uniformed services under section 203(a) of this title shall be increased under this section.”.

(b) Effectiveness of Adjustment.—Subsection (b) of such section is amended by striking “shall—” and all that follows and inserting “shall have the force and effect of law.”.

(c) Percentage of Adjustment; Alternative Pay Adjustment Authority.—Such section is further amended—

(1) by striking subsections (c), (d), (e), and (g);

(2) by redesignating subsection (f) as subsection (d);

(3) by inserting after subsection (b) the following new subsection (c):

“(c) Equal Percentage Increase for All Members.—(1) An adjustment made under this section in a year shall provide all eligible members with an increase in the monthly basic pay that is the percentage (rounded to the nearest one-tenth of one percent) by which the ECI for the base quarter of the year before the preceding year exceeds the ECI for the base quarter of the second year before the preceding calendar year (if at all).

“(2) Notwithstanding paragraph (1), but subject to subsection (d), the percentage of the adjustment taking effect under this section during each of fiscal years 2004, 2005, and 2006, shall be one-half of one percentage point higher than the percentage that would otherwise be applicable under such paragraph.

“(3) In this subsection:

"(A) The term 'ECI' means the Employment Cost Index (wages and salaries, private industry workers) published quarterly by the Bureau of Labor Statistics.

"(B) The term 'base quarter' for any year is the three-month period ending on September 30 of such year."; and

(4) by adding at the end the following new subsection:

"(e) PRESIDENTIAL DETERMINATION OF NEED FOR ALTERNATIVE PAY ADJUSTMENT.—(1) If, because of national emergency or serious economic conditions affecting the general welfare, the President considers the pay adjustment which would otherwise be required by this section in any year to be inappropriate, the President shall prepare and transmit to Congress before September 1 of the preceding year a plan for such alternative pay adjustments as the President considers appropriate, together with the reasons therefor.

"(2) In evaluating an economic condition affecting the general welfare under this subsection, the President shall consider pertinent economic measures including the Indexes of Leading Economic Indicators, the Gross Domestic Product, the unemployment rate, the budget deficit, the Consumer Price Index, the Producer Price Index, the Employment Cost Index, and the Implicit Price Deflator for Personal Consumption Expenditures.

"(3) The President shall include in the plan submitted to Congress under paragraph (1) an assessment of the impact that the alternative pay adjustments proposed in the plan would have on the Government's ability to recruit and retain well-qualified persons for the uniformed services.".

SEC. 603. COMPUTATION OF BASIC PAY RATE FOR COMMISSIONED OFFICERS WITH PRIOR ENLISTED OR WARRANT OFFICER SERVICE.

Section 203(d)(2) of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking "enlisted member," and all that follows through the period and inserting "enlisted member."; and

(2) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) Service as a warrant officer, as an enlisted member, or as a warrant officer and an enlisted member, for which at least 1,460 points have been credited to the officer for the purposes of section 12732(a)(2) of title 10.".

SEC. 604. SPECIAL SUBSISTENCE ALLOWANCE AUTHORITIES FOR MEMBERS ASSIGNED TO HIGH-COST DUTY LOCATION OR UNDER OTHER UNIQUE AND UNUSUAL CIRCUMSTANCES.

Section 402 of title 37, United States Code, is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection:

"(f) SPECIAL RULE FOR HIGH-COST DUTY LOCATIONS AND OTHER UNIQUE AND UNUSUAL CIRCUMSTANCES.—The Secretary of Defense may authorize a member of the armed forces who is not entitled to the meals portion of the per diem in connection with an assignment in a high-cost duty location or under other unique and unusual circumstances, as determined by the Secretary, to receive any or all of the following:

"(1) Meals at no cost to the member, regardless of the entitlement of the member to a basic allowance for subsistence under subsection (a).

"(2) A basic allowance for subsistence at the standard rate, regardless of the entitlement of the member for all meals or select meals during the duty day.

"(3) A supplemental subsistence allowance at a rate higher than the basic allowance for subsistence rates in effect under this section, regardless of the entitlement of the member for all meals or select meals during the duty day.".

SEC. 605. BASIC ALLOWANCE FOR HOUSING FOR EACH MEMBER MARRIED TO ANOTHER MEMBER WITHOUT DEPENDENTS WHEN BOTH SPOUSES ARE ON SEA DUTY.

(a) ENTITLEMENT.—Section 403(f)(2)(C) of title 37, United States Code, is amended—

(1) in the first sentence, by striking "are jointly entitled to one basic allowance for housing" and inserting "are each entitled to a basic allowance for housing"; and

(2) by striking "The amount of the allowance" and all that follows and inserting "The amount of the allowance payable to a member under the preceding sentence shall be based on the without dependents rate for the pay grade of the member.".

37 USC 403 note. (b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as of October 1, 2003, and apply to months beginning on or after that date.

SEC. 606. TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF FAMILY SEPARATION ALLOWANCE.

Section 427 of title 37, United States Code, is amended by adding at the end the following new subsection:

"(e) TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF ALLOWANCE.—For the period beginning on October 1, 2003, and ending on December 31, 2004, the monthly allowance authorized by subsection (a)(1) shall be increased to $250.".

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(d) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(f) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking “January 1, 2004” and inserting “January 1, 2005”.

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND SPECIAL PAY AUTHORITIES.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(c) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 309(e) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(d) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS.—Section 323(i) of such title is amended by striking “December 31, 2003” and inserting “December 31, 2004”.

(e) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

SEC. 615. HAZARDOUS DUTY PAY FOR DUTY INVOLVING SKI-EQUIPPED AIRCRAFT ON ANTARCTICA OR THE ARCTIC ICEPACK.

(a) ADDITIONAL TYPE OF DUTY ELIGIBLE FOR PAY.—Section 301(a) of title 37, United States Code, is amended—

(1) in paragraph (11), by striking "or" at the end;

(2) by redesignating paragraph (12) as paragraph (13); and

(3) by inserting after paragraph (11) the following new paragraph:

"(12) involving use of ski-equipped aircraft on the ground in Antarctica or on the Arctic ice-pack; or".

(b) MONTHLY AMOUNT.—Subsection (c) of such section is amended—

(1) in paragraph (1), by striking "(11)" and inserting "(12)"; and

(2) in paragraph (2)(A), by striking "(12)" and inserting "(13)".

(c) TECHNICAL AMENDMENTS.—(1) Subsections (a)(2), (b), (c), and (f)(2)(A) of such section are amended by striking "clause" each place it appears and inserting "paragraph".

(2) Subsection (c)(1) of such section is amended by striking "clauses" and inserting "paragraphs".

37 USC 301 note. (d) EFFECTIVE DATE.—Paragraph (12) of section 301(a) of title 37, United States Code, as added by subsection (a)(3), shall apply to duty described in such paragraph that is performed on or after October 1, 2003.

SEC. 616. SPECIAL PAY FOR RESERVE OFFICERS HOLDING POSITIONS OF UNUSUAL RESPONSIBILITY AND OF CRITICAL NATURE.

(a) ELIGIBILITY.—Section 306 of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "(1)" after "(a)";

(B) by striking "who is entitled to the basic pay of pay grade O–6 or below and" and inserting "described in paragraph (2)"; and

(C) by adding at the end the following new paragraph:

"(2) An officer of the armed forces referred to in paragraph (1) is an officer who is entitled to the basic pay under section 204 of this title, or the compensation under section 206 of this title, of pay grade O–6 or below.";

(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) If an officer entitled to compensation under section 206 of this title is paid special pay under subsection (a) for the performance of duties in a position designated under such subsection, the special pay shall be paid at the rate of 1/30 of the monthly rate authorized by such subsection for each day of the performance of duties in the designated position.".

(b) LIMITATION.—Subsection (d) of such section, as redesignated by subsection (a)(2) of this section, is amended—

(1) by inserting "(1)" after "(d)";

(2) in paragraph (1), as so designated, by inserting "or mobilization in support of a contingency operation" after "training"; and

(3) by adding at the end the following new paragraph:

"(2) Of the number of officers in the Selected Reserve of the Ready Reserve of an armed force who are not on active duty (other than for training or mobilization in support of a contingency operation), not more than 5 percent of the number of such officers in each of the pay grades O–3 and below, and not more than 10 percent of the number of such officers in pay grade O–4, O–5, or O–6, may be paid special pay under subsection (b).".

SEC. 617. PAYMENT OF SELECTED RESERVE REENLISTMENT BONUS TO MEMBERS OF SELECTED RESERVE WHO ARE MOBILIZED.

Section 308b of title 37, United States Code, as amended by section 611(a), is further amended—

(1) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(2) by inserting after subsection (c) the following new subsection (d):

"(d) PAYMENT TO MOBILIZED MEMBERS.—A member entitled to a bonus under this section who is called or ordered to active duty shall be paid, during that period of active duty, any amount of the bonus that becomes payable to the member during that period of active duty.".

SEC. 618. AVAILABILITY OF HOSTILE FIRE AND IMMINENT DANGER SPECIAL PAY FOR RESERVE COMPONENT MEMBERS ON INACTIVE DUTY.

(a) EXPANSION AND CLARIFICATION OF CURRENT LAW.—Section 310 of title 37, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by striking subsection (a) and inserting the following new subsections:

"(a) ELIGIBILITY AND SPECIAL PAY AMOUNT.—Under regulations prescribed by the Secretary of Defense, a member of a uniformed service may be paid special pay at the rate of $150 for any month in which—

"(1) the member was entitled to basic pay or compensation under section 204 or 206 of this title; and

"(2) the member—

"(A) was subject to hostile fire or explosion of hostile mines;

"(B) was on duty in an area in which the member was in imminent danger of being exposed to hostile fire or explosion of hostile mines and in which, during the period the member was on duty in the area, other members of the uniformed services were subject to hostile fire or explosion of hostile mines;

"(C) was killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action; or

"(D) was on duty in a foreign area in which the member was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

"(b) Continuation During Hospitalization.—A member covered by subsection (a)(2)(C) who is hospitalized for the treatment of the injury or wound may be paid special pay under this section for not more than three additional months during which the member is so hospitalized.".

(b) Clerical Amendments.—Such section is further amended—

(1) in subsection (c), as redesignated by subsection (a)(1), by inserting "Limitations and Administration.—" before "(1)"; and

(2) in subsection (d), as redesignated by subsection (a)(1), by inserting "Determinations of Fact.—" before "Any".

37 USC 310 note. (c) 4Effective Date.—Subsections (a) and (b) of section 310 of title 37, United States Code, as added by subsection (a)(2), shall take effect as of September 11, 2001.

(d) Relation to Temporary Increase in Authorized Amount of Hostile Fire and Imminent Danger Special Pay.—(1) The amendment made by subsection (a)(2) does not affect the authority to pay an increased amount of hostile fire and imminent danger special pay under section 310 of title 37, United States Code, pursuant to—

(A) the amendment made by subsection (a) of section 1316 of Public Law 108–11 (117 Stat. 570) during the period specified in subsection (c)(1) of such section, as modified by section 113 of Public Law 108–84 (117 Stat. 1044); or

(B) the amendment made by section 619 of this Act during the period specified in such amendment.

(2) Effective as of April 16, 2003, section 1316(c)(2) of Public Law 108–11 (117 Stat. 570) is amended by inserting "the dollar amounts specified in" before "sections".

SEC. 619. TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF HOSTILE FIRE AND IMMINENT DANGER SPECIAL PAY.

Section 310 of title 37, United States Code, as amended by section 618, is further amended by adding at the end the following new subsection:

"(e) Temporary Increase in Authorized Amount of Special Pay.—For the period beginning on October 1, 2003, and ending on December 31, 2004, the rate of pay authorized by subsection (a) shall be increased to $225.".

37 USC 310 note.

SEC. 620. RETROACTIVE PAYMENT OF HOSTILE FIRE OR IMMINENT DANGER PAY FOR SERVICE IN EASTERN MEDITERRANEAN SEA IN OPERATION IRAQI FREEDOM.

(a) Payment Authorized.—The Secretary of Defense may authorize the payment of hostile fire or imminent danger pay under section 310(a) of title 37, United States Code, to members of the Armed Forces who were assigned to duty, during the period beginning on March 19, 2003, and ending on April 11, 2003, in the area specified in subsection (b) in connection with Operation Iraqi Freedom at any time during that period.

(b) Specified Area.—The area referred to in subsection (a) is the Mediterranean Sea east of 30 degrees East Longitude (sea area only).

SEC. 621. EXPANSION OF OVERSEAS TOUR EXTENSION INCENTIVE PROGRAM TO OFFICERS.

(a) SPECIAL PAY OR BONUS FOR EXTENDING OVERSEAS TOUR OF DUTY.—(1) Subsections (a) and (b) of section 314 of title 37, United States Code, are amended by striking "an enlisted member" and inserting "a member".

(2)(A) The heading of such section is amended to read as follows:

"§ 314. Special pay or bonus: qualified members extending duty at designated locations overseas".

(B) The item relating to such section in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

"314. Special pay or bonus: qualified members extending duty at designated locations overseas.".

(b) REST AND RECUPERATIVE ABSENCE IN LIEU OF PAY OR BONUS.—(1) Subsection (a) of section 705 of title 10, United States Code, is amended by striking "an enlisted member" and inserting "a member".

(2) The heading of such section, and the item relating to such section in the table of sections at the beginning of chapter 40 of such title, are each amended by striking the sixth word.

SEC. 622. REPEAL OF CONGRESSIONAL NOTIFICATION REQUIREMENT FOR DESIGNATION OF CRITICAL MILITARY SKILLS FOR RETENTION BONUS.

Section 323(b) of title 37, United States Code, is amended—

(1) by striking "(1)"; and

(2) by striking paragraph (2).

SEC. 623. ELIGIBILITY OF WARRANT OFFICERS FOR ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.

Section 324 of title 37, United States Code, is amended in subsections (a) and (f)(1) by inserting "or an appointment" after "commission".

SEC. 624. SPECIAL PAY FOR SERVICE AS MEMBER OF WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAM.

(a) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by inserting after section 305a the following new section:

"§ 305b. Special pay: service as member of Weapons of Mass Destruction Civil Support Team

"(a) SPECIAL PAY AUTHORIZED.—The Secretary of a military department may pay special pay under this subsection to members of an armed force under the jurisdiction of the Secretary who are entitled to basic pay under section 204 and are assigned by orders to duty as members of a Weapons of Mass Destruction Civil Support Team if the Secretary determines that the payment of such special pay is needed to address recruitment or retention concerns in that armed force.

"(b) MONTHLY RATE.—The monthly rate of special pay under subsection (a) may not exceed $150.

"(c) INCLUSION OF RESERVE COMPONENT MEMBERS PERFORMING INACTIVE DUTY TRAINING.—(1) To the extent funds are made available to carry out this subsection, the Secretary of a military department may pay the special pay under subsection (a) to members of a reserve component of the armed forces who are entitled to compensation under section 206 of this title and who perform duty under orders as members of a Weapons of Mass Destruction Civil Support Team.

"(2) The amount of the special pay for a member referred to in paragraph (1) shall be equal to 1/30 of the monthly special pay rate in effect under subsection (b) for each day on which the member performs duty under orders as members of a Weapons of Mass Destruction Civil Support Team.

"(d) REGULATIONS.—Special pay under this section shall be provided in accordance with regulations prescribed by the Secretary of Defense.

"(e) DEFINITION.—In this section, the term 'Weapons of Mass Destruction Civil Support Team' means a team of members of the reserve components of the armed forces that is established under section 12310(c) of title 10 in support of emergency preparedness programs to prepare for or to respond to any emergency involving the use of a weapon of mass destruction.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 305a the following new item:

"305b. Special pay: service as member of Weapons of Mass Destruction Civil Support Team.".

SEC. 625. INCENTIVE BONUS FOR CONVERSION TO MILITARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL SHORTAGE.

(a) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

"§ 326. Incentive bonus: conversion to military occupational specialty to ease personnel shortage

"(a) INCENTIVE BONUS AUTHORIZED.—The Secretary concerned may pay a bonus under this section to an eligible member of the armed forces who executes a written agreement to convert to, and serve for a period of not less than three years in, a military occupational specialty for which there is a shortage of trained and qualified personnel.

"(b) ELIGIBLE MEMBERS.—A member is eligible to enter into an agreement under subsection (a) if—

"(1) the member is entitled to basic pay; and

"(2) at the time the agreement is executed, the member is serving in—

"(A) pay grade E–6, with not more than 10 years of service computed under section 205 of this title; or

"(B) pay grade E–5 or below, regardless of years of service.

"(c) AMOUNT AND PAYMENT OF BONUS.—(1) A bonus under this section may not exceed $4,000.

"(2) A bonus payable under this section shall be disbursed in one lump sum when the member's conversion to the military occupational specialty is approved by the chief personnel officer of the member's armed force.

“(d) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—A bonus paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.

“(e) REPAYMENT OF BONUS.—(1) A member who receives a bonus under this section and who, voluntarily or because of misconduct, fails to serve in such military occupational specialty for the period specified in the agreement executed under subsection (a) shall refund to the United States an amount that bears the same ratio to the bonus amount paid to the member as the unserved part of such period bears to the total period agreed to be served.

“(2) An obligation to reimburse the United States imposed under paragraph (1) is, for all purposes, a debt owed to the United States.

“(3) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of the agreement for which a bonus was paid under this section shall not discharge the person signing such agreement from the debt arising under paragraph (1).

“(4) Under regulations prescribed pursuant to subsection (f), the Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

“(f) REGULATIONS.—The Secretaries concerned shall prescribe regulations to carry out this section. Regulations prescribed by the Secretary of a military department shall be subject to the approval of the Secretary of Defense.

“(g) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2006.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“326. Incentive bonus: conversion to military occupational specialty to ease personnel shortage.”.

SEC. 626. BONUS FOR REENLISTMENT DURING SERVICE ON ACTIVE DUTY IN AFGHANISTAN, IRAQ, OR KUWAIT.

(a) CRITICAL SKILL REENLISTMENT BONUS.—Section 308(a) of title 37, United States Code, is amended by adding at the end the following new paragraph:

“(5) The Secretary of Defense may waive the eligibility requirement in paragraph (1)(B) in the case of a reenlistment or voluntary extension of enlistment by a member of the armed forces that is entered into as described in this subsection while the member is serving on active duty in Afghanistan, Iraq, or Kuwait in support of Operation Enduring Freedom or Operation Iraqi Freedom.”.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(c) of such title is amended by adding at the end the following new paragraph:

“(3) In the case of a reenlistment or voluntary extension of enlistment by a member of the armed forces that is entered into as described in subsection (a) while the member is serving on active duty in Afghanistan, Iraq, or Kuwait in support of Operation Enduring Freedom or Operation Iraqi Freedom, the Secretary concerned may waive so much of paragraph (1)(B) or subsection (a)(2) as requires that the skill or unit in which the member reenlists or extends an enlistment be a designated skill or designated unit determined by the Secretary concerned.”.

(c) READY RESERVE REENLISTMENT BONUS.—Section 308h(a) of such title is amended by adding at the end the following new paragraph:

“(4) The Secretary concerned may waive the eligibility requirement in paragraph (2)(B) in the case of a reenlistment or voluntary extension of enlistment by a member of the armed forces that is entered into as described in this subsection while the member is serving on active duty in Afghanistan, Iraq, or Kuwait in support of Operation Enduring Freedom and Operation Iraqi Freedom.”.

Effective date.
37 USC 308 note.

(d) RETROACTIVE APPLICATION.—The amendments made by this section shall take effect as of March 18, 2003, and apply with respect to reenlistments or the voluntary extension of enlistments that are entered into on or after that date.

Subtitle C—Travel and Transportation Allowances

SEC. 631. SHIPMENT OF PRIVATELY OWNED MOTOR VEHICLE WITHIN CONTINENTAL UNITED STATES.

(a) AUTHORITY TO PROCURE CONTRACT FOR TRANSPORTATION OF MOTOR VEHICLE.—Section 2634 of title 10, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

“(h) In the case of a member’s change of permanent station described in subparagraph (A) or (B) of subsection (i)(1), the Secretary concerned may authorize the member to arrange for the shipment of the motor vehicle in lieu of transportation at the expense of the United States under this section. The Secretary concerned may pay the member a monetary allowance in lieu of transportation, as established under section 404(d)(1) of title 37, and the member shall be responsible for any transportation costs in excess of such allowance.”.

(b) ALLOWANCE FOR SELF-PROCUREMENT OF TRANSPORTATION OF MOTOR VEHICLE.—Section 406(b)(1)(B) of title 37, United States Code, is amended by adding at the end the following new sentence: “In the case of the transportation of a motor vehicle arranged by the member under section 2634(h) of title 10, the Secretary concerned may pay the member, upon presentation of proof of shipment, a monetary allowance in lieu of transportation, as established under section 404(d)(1) of this title.”.

SEC. 632. TRANSPORTATION OF DEPENDENTS TO PRESENCE OF MEMBERS OF THE ARMED FORCES RETIRED FOR ILLNESS OR INJURY INCURRED IN ACTIVE DUTY.

Section 411h(a) of title 37, United States Code, is amended—

(1) in paragraph (1), by striking “military control” and inserting “control”; and

(2) in paragraph (2)(A)—

(A) by striking “or is entitled” and inserting “, is entitled”; and

(B) by inserting before the semicolon at the end the following: ", or is retired for the illness or injury referred to in subparagraph (B)".

SEC. 633. PAYMENT OR REIMBURSEMENT OF STUDENT BAGGAGE STORAGE COSTS FOR DEPENDENT CHILDREN OF MEMBERS STATIONED OVERSEAS.

Section 430(b)(2) of title 37, United States Code, is amended in the first sentence by inserting before the period at the end the following: "or during a different period in the same fiscal year selected by the member".

SEC. 634. CONTRACTS FOR FULL REPLACEMENT VALUE FOR LOSS OR DAMAGE TO PERSONAL PROPERTY TRANSPORTED AT GOVERNMENT EXPENSE.

(a) AUTHORITY.—Chapter 157 of title 10, United States Code, is amended by inserting after section 2636 the following new section:

"§ 2636a. Loss or damage to personal property transported at Government expense: full replacement value; deduction from amounts due carriers

"(a) PROCUREMENT OF COVERAGE.—The Secretary of Defense may include in a contract for the transportation of baggage and household effects for members of the armed forces at Government expense a clause that requires the carrier under the contract to pay the full replacement value for loss or damage to the baggage or household effects transported under the contract.

"(b) DEDUCTION UPON FAILURE OF CARRIER TO SETTLE.—In the case of a loss or damage of baggage or household effects transported under a contract with a carrier that includes a clause described in subsection (a), the amount equal to the full replacement value for the baggage or household effects may be deducted from the amount owed by the United States to the carrier under the contract upon a failure of the carrier to settle a claim for such loss or total damage within a reasonable time. The amount so deducted shall be remitted to the claimant, notwithstanding section 2636 of this title.

"(c) INAPPLICABILITY OF RELATED LIMITS.—The limitations on amounts of claims that may be settled under section 3721(b) of title 31 do not apply to a carrier's contractual obligation to pay full replacement value under this section.

"(d) REGULATIONS.—The Secretary of Defense shall prescribe regulations for administering this section. The regulations shall include policies and procedures for validating and evaluating claims, validating proper claimants, and determining reasonable time for settlement.

"(e) TRANSPORTATION DEFINED.—In this section, the terms 'transportation' and 'transport', with respect to baggage or household effects, includes packing, crating, drayage, temporary storage, and unpacking of the baggage or household effects.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2636 the following new item:

"2636a. Loss or damage to personal property transported at Government expense: full replacement value; deduction from amounts due carriers.".

SEC. 635. PAYMENT OF LODGING EXPENSES OF MEMBERS DURING AUTHORIZED LEAVE FROM TEMPORARY DUTY LOCATION.

(a) PAYMENT OR REIMBURSEMENT AUTHORIZED.—Chapter 7 of title 37, United States Code, is amended by inserting after section 404a the following new section:

"§ 404b. Travel and transportation allowances: lodging expenses at temporary duty location for members on authorized leave

"(a) PAYMENT OR REIMBURSEMENT AUTHORIZED.—The Secretary concerned may pay or reimburse a member of the armed forces assigned to temporary duty as described in subsection (b) for lodging expenses incurred by the member at the temporary duty location while the member is in an authorized leave status.

"(b) COVERED MEMBERS.—Subsection (a) applies with respect to a member assigned to temporary duty, for a period of more than 30 days, in support of a contingency operation or in other specific situations designated by the Secretary concerned if the member——

"(1) immediately before taking the authorized leave, was performing the temporary duty at a location away from the home or permanent duty station of the member;

"(2) was receiving a per diem allowance under section 404(a)(4) of this title to cover lodging and subsistence expenses incurred at the temporary duty location because quarters of the United States were not available for assignment to the member at that location; and

"(3) immediately after completing the authorized leave, returns to the duty location.

"(c) PAYMENT LIMITATION.—The amount paid or reimbursed under subsection (a) for a member may not exceed the lesser of—

"(1) the actual daily cost of lodging incurred by the member at the temporary duty location while the member was in an authorized leave status; and

"(2) the lodging portion of the applicable daily per diem rate for the temporary duty location.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 404a the following new item:

"404b. Travel and transportation allowances: lodging expenses at temporary duty location for members on authorized leave.".

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. PHASE-IN OF FULL CONCURRENT RECEIPT OF MILITARY RETIRED PAY AND VETERANS DISABILITY COMPENSATION FOR CERTAIN MILITARY RETIREES.

(a) CONCURRENT RECEIPT.—Section 1414 of title 10, United States Code, is amended to read as follows:

"§ 1414. Members eligible for retired pay who are also eligible for veterans' disability compensation for disabilities rated 50 percent or higher: concurrent payment of retired pay and veterans' disability compensation

"(a) PAYMENT OF BOTH RETIRED PAY AND COMPENSATION.—

"(1) IN GENERAL.—Subject to subsection (b), a member or former member of the uniformed services who is entitled for any month to retired pay and who is also entitled for that month to veterans' disability compensation for a qualifying service-connected disability (hereinafter in this section referred to as a 'qualified retiree') is entitled to be paid both for that month without regard to sections 5304 and 5305 of title 38. During the period beginning on January 1, 2004, and ending on December 31, 2013, payment of retired pay to such a qualified retiree is subject to subsection (c).

"(2) QUALIFYING SERVICE-CONNECTED DISABILITY.—In this section, the term 'qualifying service-connected disability' means a service-connected disability or combination of service-connected disabilities that is rated as not less than 50 percent disabling by the Secretary of Veterans Affairs.

"(b) SPECIAL RULES FOR CHAPTER 61 DISABILITY RETIREES.—

"(1) CAREER RETIREES.—The retired pay of a member retired under chapter 61 of this title with 20 years or more of service otherwise creditable under section 1405 of this title, or at least 20 years of service computed under section 12732 of this title, at the time of the member's retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member's retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.

"(2) DISABILITY RETIREES WITH LESS THAN 20 YEARS OF SERVICE.—Subsection (a) does not apply to a member retired under chapter 61 of this title with less than 20 years of service otherwise creditable under section 1405 of this title, or with less than 20 years of service computed under section 12732 of this title, at the time of the member's retirement.

"(c) PHASE-IN OF FULL CONCURRENT RECEIPT.—During the period beginning on January 1, 2004, and ending on December 31, 2013, retired pay payable to a qualified retiree shall be determined as follows:

"(1) CALENDAR YEAR 2004.—For a month during 2004, the amount of retired pay payable to a qualified retiree is the amount (if any) of retired pay in excess of the current baseline offset plus the following:

"(A) For a month for which the retiree receives veterans' disability compensation for a disability rated as total, $750.

"(B) For a month for which the retiree receives veterans' disability compensation for a disability rated as 90 percent, $500.

"(C) For a month for which the retiree receives veterans' disability compensation for a disability rated as 80 percent, $350.

"(D) For a month for which the retiree receives veterans' disability compensation for a disability rated as 70 percent, $250.

"(E) For a month for which the retiree receives veterans' disability compensation for a disability rated as 60 percent, $125.

"(F) For a month for which the retiree receives veterans' disability compensation for a disability rated as 50 percent, $100.

"(2) CALENDAR YEAR 2005.—For a month during 2005, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount specified in paragraph (1) for that qualified retiree; and

"(B) 10 percent of the difference between (i) the current baseline offset, and (ii) the amount specified in paragraph (1) for that member's disability.

"(3) CALENDAR YEAR 2006.—For a month during 2006, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (2) for that qualified retiree; and

"(B) 20 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (2) for that qualified retiree.

"(4) CALENDAR YEAR 2007.—For a month during 2007, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (3) for that qualified retiree; and

"(B) 30 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (3) for that qualified retiree.

"(5) CALENDAR YEAR 2008.—For a month during 2008, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (4) for that qualified retiree; and

"(B) 40 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (4) for that qualified retiree.

"(6) CALENDAR YEAR 2009.—For a month during 2009, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (5) for that qualified retiree; and

"(B) 50 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (5) for that qualified retiree.

"(7) CALENDAR YEAR 2010.—For a month during 2010, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (6) for that qualified retiree; and

"(B) 60 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (6) for that qualified retiree.

"(8) CALENDAR YEAR 2011.—For a month during 2011, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (7) for that qualified retiree; and

"(B) 70 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (7) for that qualified retiree.

"(9) CALENDAR YEAR 2012.—For a month during 2012, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (8) for that qualified retiree; and

"(B) 80 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (8) for that qualified retiree.

"(10) CALENDAR YEAR 2013.—For a month during 2013, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (9) for that qualified retiree; and

"(B) 90 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (9) for that qualified retiree.

"(11) GENERAL LIMITATION.—Retired pay determined under this subsection for a qualified retiree, if greater than the amount of retired pay otherwise applicable to that qualified retiree, shall be reduced to the amount of retired pay otherwise applicable to that qualified retiree.

"(d) COORDINATION WITH COMBAT-RELATED SPECIAL COMPENSATION PROGRAM.—

"(1) IN GENERAL.—A person who is a qualified retiree under this section and is also an eligible combat-related disabled uniformed services retiree under section 1413a of this title may receive special compensation in accordance with that section or retired pay in accordance with this section, but not both.

“(2) ANNUAL OPEN SEASON.—The Secretary concerned shall provide for an annual period (referred to as an ‘open season’) during which a person described in paragraph (1) shall have the right to make an election to change from receipt of special compensation in accordance with section 1413a of this title to receipt of retired pay in accordance with this section, or the reverse, as the case may be. Any such election shall be made under regulations prescribed by the Secretary concerned. Such regulations shall provide for the form and manner for making such an election and shall provide for the date as of when such an election shall become effective. In the case of the Secretary of a military department, such regulations shall be subject to approval by the Secretary of Defense.

“(e) DEFINITIONS.—In this section:

“(1) RETIRED PAY.—The term ‘retired pay’ includes retainer pay, emergency officers’ retirement pay, and naval pension.

“(2) VETERANS’ DISABILITY COMPENSATION.—The term ‘veterans’ disability compensation’ has the meaning given the term ‘compensation’ in section 101(13) of title 38.

“(3) DISABILITY RATED AS TOTAL.—The term ‘disability rated as total’ means—

“(A) a disability, or combination of disabilities, that is rated as total under the standard schedule of rating disabilities in use by the Department of Veterans Affairs; or

“(B) a disability, or combination of disabilities, for which the scheduled rating is less than total but for which a rating of total is assigned by reason of inability of the disabled person concerned to secure or follow a substantially gainful occupation as a result of disabilities for which veterans’ disability compensation may be paid.

“(4) CURRENT BASELINE OFFSET.—

“(A) IN GENERAL.—The term ‘current baseline offset’ for any qualified retiree means the amount for any month that is the lesser of—

“(i) the amount of the applicable monthly retired pay of the qualified retiree for that month; and

“(ii) the amount of monthly veterans’ disability compensation to which the qualified retiree is entitled for that month.

“(B) APPLICABLE RETIRED PAY.—In subparagraph (A), the term ‘applicable retired pay’ for a qualified retiree means the amount of monthly retired pay to which the qualified retiree is entitled, determined without regard to this section or sections 5304 and 5305 of title 38, except that in the case of such a retiree who was retired under chapter 61 of this title, such amount is the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member’s service in the uniformed services if the member had not been retired under chapter 61 of this title.”.

(b) REPEAL OF SUPERCEDED SPECIAL COMPENSATION AUTHORITY.—Section 1413 of title 10, United States Code, is repealed.

(c) SOURCE OF FUNDS FOR SPECIAL COMPENSATION AUTHORITIES FOR DEPARTMENT OF DEFENSE RETIREES.—

(1) Sections 1413(g) and 1413a(h) of title 10, United States Code, are each amended—

(A) by inserting before "Payments under" the following new sentence: "Payments under this section for a member of the Army, Navy, Air Force, or Marine Corps shall be paid from the Department of Defense Military Retirement Fund."; and

(B) by inserting "for any other member" before "for any fiscal year".

(2) Section 1463(a)(1) of such title is amended by inserting before the semicolon the following: "and payments under section 1413, 1413a, or 1414 of this title paid to such members".

(3) Section 1465(b) of such title is amended by adding at the end the following new paragraph:

"(3) At the same time that the Secretary of Defense makes the determination required by paragraph (1) for any fiscal year, the Secretary shall determine the amount of the Treasury contribution to be made to the Fund for the next fiscal year under section 1466(b)(2)(D) of this title. That amount shall be determined in the same manner as the determination under paragraph (1) of the total amount of Department of Defense contributions to be made to the Fund during that fiscal year under section 1466(a) of this title, except that for purposes of this paragraph the Secretary, in making the calculations required by subparagraphs (A) and (B) of that paragraph, shall use the single level percentages determined under subsection (c)(4), rather than those determined under subsection (c)(1).".

(4) Section 1465(c) of such title is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting before the semicolon at the end the following: ", to be determined without regard to section 1413, 1413a, or 1414 of this title";

(ii) in subparagraph (B), by inserting before the period at the end the following: ", to be determined without regard to section 1413, 1413a, or 1414 of this title"; and

(iii) in the sentence following subparagraph (B), by striking "subsection (b)" and inserting "subsection (b)(1)";

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph (4):

"(4) Whenever the Secretary carries out an actuarial valuation under paragraph (1), the Secretary shall include as part of such valuation the following:

"(A) A determination of a single level percentage determined in the same manner as applies under subparagraph (A) of paragraph (1), but based only upon the provisions of sections 1413, 1413a, and 1414 of this title.

"(B) A determination of a single level percentage determined in the same manner as applies under subparagraph (B) of paragraph (1), but based only upon the provisions of sections 1413, 1413a, and 1414 of this title.

Such single level percentages shall be used for the purposes of subsection (b)(3).".

(5) Section 1466(b) of such title is amended—

(A) in paragraph (1), by striking "sections 1465(a) and 1465(c)" and inserting "sections 1465(a), 1465(b)(3), 1465(c)(2), and 1465(c)(3)"; and

(B) by adding at the end of paragraph (2) the following new subparagraph:

"(D) The amount for that year determined by the Secretary of Defense under section 1465(b)(3) of this title for the cost to the Fund arising from increased amounts payable from the Fund by reason of section 1413, 1413a, or 1414 of this title.".

Effective date. 10 USC 1413a note.

(6) The amendments made by this subsection shall take effect as of October 1, 2003. The Secretary of Defense shall provide for such administrative adjustments as necessary to provide for payments made for any period during fiscal year 2004 before the date of the enactment of this Act to be treated as having been made in accordance with such amendments and for the provisions of such amendments to be implemented as if enacted as of September 30, 2003.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 71 of such title is amended—

(1) by striking the item relating to section 1413; and

(2) by striking the item relating to section 1414 and inserting the following:

"1414. Members eligible for retired pay who are also eligible for veterans' disability compensation for disabilities rated 50 percent or higher: concurrent payment of retired pay and veterans' disability compensation.".

10 USC 1414 note.

(e) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2004, and shall apply to payments for months beginning on or after that date.

SEC. 642. REVISIONS TO COMBAT-RELATED SPECIAL COMPENSATION PROGRAM.

(a) EXTENSION OF PROGRAM TO COMBAT-RELATED DISABILITIES RATED BELOW 60 PERCENT.—(1) Subsection (e) of section 1413a of title 10, United States Code, is amended to read as follows:

"(e) COMBAT-RELATED DISABILITY.—In this section, the term 'combat-related disability' means a disability that is compensable under the laws administered by the Secretary of Veterans Affairs and that—

"(1) is attributable to an injury for which the member was awarded the Purple Heart; or

"(2) was incurred (as determined under criteria prescribed by the Secretary of Defense)—

"(A) as a direct result of armed conflict;

"(B) while engaged in hazardous service;

"(C) in the performance of duty under conditions simulating war; or

"(D) through an instrumentality of war.".

(2) Subsection (c)(2) of such section is amended by striking "qualifying".

(b) CLARIFICATION OF SERVICE REQUIRED FOR ELIGIBILITY.—Subsection (c)(1) of such section is amended by inserting before the semicolon the following: "or is entitled to retired pay under section 12731 of this title (other than by reason of section 12731b of this title)".

(c) CLARIFICATION OF DETERMINATION OF AMOUNT OF COMPENSATION.—Subsection (b)(1) of such section is amended by striking “for a” and all that follows and inserting “under subsection (a) for any month is the amount of compensation to which the retiree is entitled under title 38 for that month, determined without regard to any disability of the retiree that is not a combat-related disability.”.

(d) REVISED COORDINATION PROVISION.—Subsection (f) of such section is amended to read as follows:

“(f) COORDINATION WITH CONCURRENT RECEIPT PROVISION.—Subsection (d) of section 1414 of this title provides for coordination between benefits under that section and under this section.”.

(e) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

“§ 1413a. Combat-related special compensation”.

(2) The item relating to such section in the table of sections at the beginning of chapter 71 of such title is amended to read as follows:

“1413a. Combat-related special compensation.”.

Applicability. 10 USC 1413a note.

(f) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to payments under section 1413a of title 10, United States Code, for months beginning on or after January 1, 2004. The amendment made by subsection (d) shall take effect on January 1, 2004.

SEC. 643. SPECIAL RULE FOR COMPUTATION OF RETIRED PAY BASE FOR COMMANDERS OF COMBATANT COMMANDS.

(a) TREATMENT EQUIVALENT TO CHIEFS OF SERVICE.—Subsection (i) of section 1406 of title 10, United States Code, is amended by inserting “as a commander of a unified or specified combatant command (as defined in section 161(c) of this title),” after “Chief of Service,”.

(b) CONFORMING AMENDMENT.—The heading for such subsection is amended by inserting “COMMANDERS OF COMBATANT COMMANDS,” after “CHIEFS OF SERVICE,”.

10 USC 1406 note.

(c) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to officers who first become entitled to retired pay under title 10, United States Code, on or after such date.

SEC. 644. SURVIVOR BENEFIT PLAN ANNUITIES FOR SURVIVING SPOUSES OF RESERVES NOT ELIGIBLE FOR RETIREMENT WHO DIE FROM A CAUSE INCURRED OR AGGRAVATED WHILE ON INACTIVE-DUTY TRAINING.

(a) SURVIVING SPOUSE ANNUITY.—Paragraph (1) of section 1448(f) of title 10, United States Code, is amended to read as follows:

“(1) SURVIVING SPOUSE ANNUITY.—The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of a person who—

“(A) is eligible to provide a reserve-component annuity and dies—

“(i) before being notified under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay; or "(ii) during the 90-day period beginning on the date he receives notification under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay if he had not made an election under subsection (a)(2)(B) to participate in the Plan; or

"(B) is a member of a reserve component not described in subparagraph (A) and dies from an injury or illness incurred or aggravated in the line of duty during inactive-duty training.".

(b) CONFORMING AMENDMENT.—The heading for subsection (f) of section 1448 of such title is amended by inserting "OR BEFORE" after "DYING WHEN".

Applicability. 10 USC 1448 note.

(c) EFFECTIVE DATE.—Subparagraph (B) of section 1448(f)(1) of title 10, United States Code, as added by subsection (a), shall take effect as of September 10, 2001, and shall apply with respect to performance of inactive-duty training (as defined in section 101(d) of title 10, United States Code) on or after that date.

SEC. 645. SURVIVOR BENEFIT PLAN MODIFICATIONS.

(a) ELIGIBILITY OF DEPENDENT CHILDREN FOR SURVIVOR ANNUITIES IN CASES OF DEATHS OF MEMBERS ON ACTIVE DUTY.—(1) Paragraph (2) of section 1448(d) of title 10, United States Code, is amended to read as follows:

"(2) DEPENDENT CHILDREN.—

"(A) ANNUITY WHEN NO ELIGIBLE SURVIVING SPOUSE.—In the case of a member described in paragraph (1), the Secretary concerned shall pay an annuity under this subchapter to the member's dependent children under section 1450(a)(2) of this title as applicable.

"(B) OPTIONAL ANNUITY WHEN THERE IS AN ELIGIBLE SURVIVING SPOUSE.—In the case of a member described in paragraph (1) who dies on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 and for whom there is a surviving spouse eligible for an annuity under paragraph (1), the Secretary may pay an annuity under this subchapter to the member's dependent children under section 1450(a)(3) of this title, if applicable, instead of paying an annuity to the surviving spouse under paragraph (1), if the Secretary concerned, in consultation with the surviving spouse, determines it appropriate to provide an annuity for the dependent children under this paragraph instead of an annuity for the surviving spouse under paragraph (1).".

(2) Paragraph (1) of such section is amended by striking "The Secretary concerned" and inserting "Except as provided in paragraph (2)(B), the Secretary concerned".

(b) VITIATION OF SURVIVOR ANNUITY ELECTIONS MADE BY DISABILITY RETIREES WHO DIE OF DISABILITY-RELATED CAUSES.—(1) Section 1448(b)(1) of such title is amended by adding at the end the following new subparagraph:

"(F) VITIATION OF ELECTION BY DISABILITY RETIREE WHO DIES OF DISABILITY-RELATED CAUSE.—If a member retired on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 under chapter 61 of this title dies within one year after the date on which the member is so retired and the cause of death is related to a disability for which the member was retired under that chapter (as determined under regulations prescribed by the Secretary of Defense)—

“(i) an election made by the member under paragraph (1) to provide an annuity under the Plan to any person other than a dependent of that member (as defined in section 1072(2) of this title) is vitiated; and

“(ii) the amounts by which the member's retired pay was reduced under section 1452 of this title shall be refunded and paid to the person to whom the annuity under the Plan would have been paid pursuant to such election.”.

(2) Section 1458 of such title is amended by adding at the end the following new subsection:

“(j) VITIATION OF ELECTION BY DISABILITY RETIREE WHO DIES OF DISABILITY-RELATED CAUSE.—If a member retired on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 under chapter 61 of this title dies within one year after the date on which the member is so retired and the cause of death is related to a disability for which the member was retired under that chapter (as determined under regulations prescribed by the Secretary of Defense)—

“(1) an election made by the member to provide a supplemental spouse annuity under this subchapter is vitiated; and

“(2) the amounts by which the member's retired pay was reduced under section 1460 of this title shall be refunded and paid to the person to whom the supplemental spouse annuity would have been paid pursuant to such election.”.

(c) INSURABLE INTEREST ANNUITY DEEMED ELECTIONS.—Section 1448(d) of such title is amended by adding at the end the following new paragraph:

“(6) DEEMED ELECTION.—

“(A) ANNUITY FOR DEPENDENT.—In the case of a member described in paragraph (1) who dies on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004, the Secretary concerned may, if no other annuity is payable on behalf of the member under this subchapter, pay an annuity to a natural person who has an insurable interest in such member as if the annuity were elected by the member under subsection (b)(1). The Secretary concerned may pay such an annuity under this paragraph only in the case of a person who is a dependent of that member (as defined in section 1072(2) of this title).

“(B) COMPUTATION OF ANNUITY.—An annuity under this subparagraph shall be computed under section 1451(b) of this title as if the member had retired for total disability on the date of death with reductions as specified under section 1452(c) of this title, as applicable to the ages of the member and the natural person with an insurable interest.”.

SEC. 646. INCREASE IN DEATH GRATUITY PAYABLE WITH RESPECT TO DECEASED MEMBERS OF THE ARMED FORCES.

(a) AMOUNT OF DEATH GRATUITY.—Section 1478(a) of title 10, United States Code, is amended by striking "$6,000" and inserting "$12,000".

Applicability.
10 USC 1478 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 11, 2001, and shall apply with respect to deaths occurring on or after that date.

SEC. 647. DEATH BENEFITS STUDY.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the sacrifices made by the members of the Armed Forces are significant and are worthy of meaningful expressions of gratitude by the United States, especially in cases of sacrifice through loss of life;

(2) the tragic events of September 11, 2001, and subsequent worldwide combat operations in the Global War on Terrorism and in Operation Iraqi Freedom have highlighted the significant disparity between the financial benefits for survivors of deceased members of the Armed Forces and the financial benefits for survivors of civilian victims of terrorism;

(3) the death benefits system composed of the death gratuity paid by the Department of Defense to survivors of members of the Armed Forces, the subsequently established Servicemembers' Group Life Insurance (SGLI) program, and other benefits for survivors of deceased members has evolved over time, but there are increasing indications that the evolution of such benefits has failed to keep pace with the expansion of indemnity and compensation available to segments of United States society outside the Armed Forces, a failure that is especially apparent in a comparison of the benefits for survivors of deceased members with the compensation provided to families of civilian victims of terrorism; and

(4) while the Servicemembers' Group Life Insurance (SGLI) program provides an assured source of life insurance for members of the Armed Forces that benefits the survivors of such members upon death, that program requires servicemembers to pay for that life insurance coverage and does not provide an assured minimum benefit.

(b) STUDY REQUIRED.—The Secretary of Defense shall carry out a study of the totality of all current and projected death benefits for survivors of deceased members of the Armed Forces to determine the adequacy of such benefits. In carrying out the study, the Secretary shall—

(1) compare the Federal death benefits for survivors of deceased members of the Armed Forces with—

(A) commercial and other private sector death benefits plans for segments of United States society outside the Armed Forces; and

(B) the benefits available under Public Law 107–37 (115 Stat. 219) (commonly known as the "Public Safety Officer Benefits Bill");

(2) assess the personnel policy effects that would result from a revision of the death gratuity benefit to provide a stratified schedule of entitlement amounts that places a premium on deaths resulting from participation in combat or from acts of terrorism;

(3) assess the adequacy of the current system of Survivor Benefit Plan annuities under title 10, United States Code, and dependency and indemnity compensation under title 38, United States Code, and the anticipated effects (if any) of an elimination of the offset of Survivor Benefit Plan annuities by dependency and indemnity compensation payments;

(4) examine the commercial insurability of members of the Armed Forces in high-risk military occupational specialties; and

(5) examine the extent to which private trusts and foundations engage in fundraising or otherwise provide financial benefits for survivors of deceased members of the Armed Forces.

(c) REPORT.—Not later than March 1, 2004, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the study under subsection (b). The report shall include the following:

Deadline.

(1) The assessments, analyses, and conclusions resulting from the study.

(2) Proposed legislation to address the deficiencies in the system of Federal death benefits for survivors of deceased members of the Armed Forces that are identified in the course of the study.

(3) An estimate of the costs of the system of death benefits provided for in the proposed legislation.

(d) COMPTROLLER GENERAL STUDY.—The Comptroller General shall conduct a study to identify the death benefits that are payable under Federal, State, and local laws for employees of the United States, State governments, and local governments. Not later than March 1, 2004, the Comptroller General shall submit a report containing the results of the study to the Committees on Armed Services of the Senate and the House of Representatives.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

SEC. 651. EXPANDED COMMISSARY ACCESS FOR SELECTED RESERVE MEMBERS, RESERVE RETIREES UNDER AGE 60, AND THEIR DEPENDENTS.

(a) ACCESS TO MILITARY COMMISSARIES.—Section 1065 of title 10, United States Code, is amended—

(1) in subsections (a), (b), and (c), by inserting “commissary stores and” after “use” each place it appears; and

(2) in subsection (d)—

(A) by inserting “commissary stores and” after “use” the first and third places it appears; and

(B) by inserting “stores and” after “use” the second and fourth places it appears.

(b) CONFORMING AMENDMENTS; TRANSFER OF SECTION.—Chapter 54 of such title is amended—

(1) by striking sections 1063 and 1064;

(2) in section 1063a(c)(2), by striking “section 1065(e)” and inserting “section 1063(e)”;

(3) by redesignating section 1063a, as amended by paragraph (2), as section 1064;

10 USC 1063.

(4) by transferring section 1065, as amended by subsection (a), so as to appear after section 1062; and

(5) by striking the heading of such section, as amended by subsection (a) and transferred by paragraph (4), and inserting the following new heading:

"§ 1063. Use of commissary stores and MWR retail facilities: members of reserve components and reserve retirees under age 60".

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is amended by striking the items relating to sections 1063, 1063a, 1064, and 1065 and inserting the following new items:

"1063. Use of commissary stores and MWR retail facilities: members of reserve components and reserve retirees under age 60.
"1064. Use of commissary stores and MWR retail facilities: members of National Guard serving in federally declared disaster or national emergency.".

SEC. 652. DEFENSE COMMISSARY SYSTEM AND EXCHANGE STORES SYSTEM.

(a) EXISTENCE OF SYSTEMS.—Chapter 147 of title 10, United States Code, is amended by inserting before section 2482 the following new section:

"§ 2481. Existence of defense commissary system and exchange stores system

"(a) IN GENERAL.—The Secretary of Defense shall operate a defense commissary system and an exchange stores system in the manner provided by this chapter and other provisions of law.

"(b) SEPARATE SYSTEMS.—(1) Except as provided in paragraph (2), the defense commissary system and the exchange stores system shall be operated as separate systems of the Department of Defense.

"(2) This subsection does not apply to the following:

"(A) Combined exchange and commissary stores operated under the authority provided by section 2490a of this title.

"(B) NEXMART stores of the Navy Exchange Service Command established before October 1, 2003.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 2482 the following new item:

"2481. Existence of defense commissary system and exchange stores system.".

SEC. 653. LIMITATIONS ON PRIVATE OPERATION OF DEFENSE COMMISSARY STORE FUNCTIONS.

Section 2482(a) of title 10, United States Code, is amended—

(1) by striking the first and second sentences and inserting the following: "(1) Under such regulations as the Secretary of Defense may approve, private persons may operate selected commissary store functions, except that such functions may not include functions relating to the procurement of products to be sold in a commissary store or functions relating to the overall management of a commissary system or the management of a commissary store."; and

(2) by adding at the end the following new paragraph:

"(2) Any change to private operation of a commissary store function that is being performed by more than 10 Department of Defense civilian employees shall not take effect until the end of the 75-day period beginning on the date on which the Secretary of Defense submits to Congress written notice of the change.".

SEC. 654. USE OF APPROPRIATED FUNDS TO OPERATE DEFENSE COMMISSARY SYSTEM.

(a) REQUIREMENT THAT COMMISSARY OPERATING EXPENSES BE PAID FROM APPROPRIATED FUNDS.—Section 2484 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "may" and inserting "shall"; and

(2) in subsection (b), by striking "may" in the first sentence and inserting "shall".

(b) SUPPLEMENTAL FUNDS FOR COMMISSARY OPERATIONS.—Such section is further amended by adding at the end the following new subsection:

"(c) SUPPLEMENTAL FUNDS FOR COMMISSARY OPERATIONS.—Amounts appropriated to cover the expenses of operating the Defense Commissary Agency and the defense commissary system may be supplemented with additional funds from manufacturers' coupon redemption fees, handling fees for tobacco products, and other amounts received as reimbursement for other support activities provided by commissary activities.".

SEC. 655. RECOVERY OF NONAPPROPRIATED FUND INSTRUMENTALITY AND COMMISSARY STORE INVESTMENTS IN REAL PROPERTY AT MILITARY INSTALLATIONS CLOSED OR REALIGNED.

(a) 1988 LAW.—Section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) in the second sentence of clause (i), by striking "The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts)" and inserting "Subject to the limitation in clause (iii), amounts in the reserve account are hereby made available to the Secretary, without appropriation and until expended,";

(2) by redesignating clause (iii) as clause (iv); and

(3) by inserting after clause (ii) the following new clause (iii):

"(iii) The aggregate amount obligated from the reserve account established under clause (i) may not exceed the following:

"(I) In fiscal year 2004, $31,000,000.

"(II) In fiscal year 2005, $24,000,000.

"(III) In fiscal year 2006, $15,000,000.".

(b) 1990 LAW.—Section 2906(d)(3) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking "The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts)" and inserting "Subject to the limitation contained in section 204(b)(7)(C)(iii) of the Defense Authorization Amendments and Base Closure and Realignment Act, amounts in the reserve account are hereby made available to the Secretary, without appropriation and until expended,".

Subtitle F—Other Matters

SEC. 661. COMPTROLLER GENERAL REPORT ON ADEQUACY OF SPECIAL PAYS AND ALLOWANCES FOR FREQUENTLY DEPLOYED MEMBERS.

Deadline.

Not later than April 1, 2004, the Comptroller General shall submit to Congress a report regarding the adequacy of special pays and allowances for members of the Armed Forces who are frequently deployed away from their permanent duty stations for periods of less than 30 days. The report shall include an assessment of the eligibility requirements for the family separation allowance under section 427 of title 37, United States Code, including those relating to required duration of absences from the permanent duty station.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Enhanced Benefits for Reserves

Sec. 701. Medical and dental screening for Ready Reserve members alerted for mobilization.
Sec. 702. Coverage for Ready Reserve members under TRICARE program.
Sec. 703. Earlier eligibility date for TRICARE benefits for members of reserve components.
Sec. 704. Temporary extension of transitional health care benefits.
Sec. 705. Assessment of needs of Reserves for health care benefits.
Sec. 706. Limitation on fiscal year 2004 outlays for temporary Reserve health care programs.
Sec. 707. TRICARE beneficiary counseling and assistance coordinators for reserve component beneficiaries.
Sec. 708. Eligibility of Reserve officers for health care pending orders to active duty following commissioning.

Subtitle B—Other Benefits Improvements

Sec. 711. Acceleration of implementation of chiropractic health care for members on active duty.
Sec. 712. Reimbursement of covered beneficiaries for certain travel expenses relating to specialized dental care.
Sec. 713. Eligibility for continued health benefits coverage extended to certain members of uniformed services.
Sec. 714. Authority for designated providers to enroll covered beneficiaries with other primary health insurance coverage.

Subtitle C—Planning, Programming, and Management

Sec. 721. Permanent extension of authority to enter into personal services contracts for the performance of health care responsibilities at locations other than military medical treatment facilities.
Sec. 722. Department of Defense Medicare-Eligible Retiree Health Care Fund valuations and contributions.
Sec. 723. Surveys on continued viability of TRICARE Standard.
Sec. 724. Plan for providing health coverage information to members, former members, and dependents eligible for certain health benefits.
Sec. 725. Transfer of certain members of the Pharmacy and Therapeutics Committee to the Uniform Formulary Beneficiary Advisory Panel under the pharmacy benefits program.
Sec. 726. Working group on military health care for persons reliant on health care facilities at military installations to be closed or realigned.
Sec. 727. Joint program for development and evaluation of integrated healing care practices for members of the Armed Forces and veterans.

Subtitle A—Enhanced Benefits for Reserves

SEC. 701. MEDICAL AND DENTAL SCREENING FOR READY RESERVE MEMBERS ALERTED FOR MOBILIZATION.

Subsection (f) of section 1074a of title 10, United States Code, as amended by section 1114 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, is amended to read as follows:

Notification.

"(f)(1) At any time after the Secretary concerned notifies members of the Ready Reserve that the members are to be called or ordered to active duty for a period of more than 30 days, the administering Secretaries may provide to each such member any medical and dental screening and care that is necessary to ensure that the member meets the applicable medical and dental standards for deployment.

"(2) The notification to members of the Ready Reserve described in paragraph (1) shall include notice that the members are eligible for screening and care under this section.

"(3) A member provided medical or dental screening or care under paragraph (1) may not be charged for the screening or care.".

SEC. 702. COVERAGE FOR READY RESERVE MEMBERS UNDER TRICARE PROGRAM.

Section 1076b of title 10, United States Code, as added by section 1115 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, is amended to read as follows:

"§ 1076b. TRICARE program: coverage for members of the Ready Reserve

"(a) ELIGIBILITY.—Each member of the Selected Reserve of the Ready Reserve and each member of the Individual Ready Reserve described in section 10144(b) of this title is eligible, subject to subsection (h), to enroll in TRICARE and receive benefits under such enrollment for any period that the member—

"(1) is an eligible unemployment compensation recipient; or

"(2) is not eligible for health care benefits under an employer-sponsored health benefits plan.

"(b) TYPES OF COVERAGE.—(1) A member eligible under subsection (a) may enroll for either of the following types of coverage:

"(A) Self alone coverage.

"(B) Self and family coverage.

"(2) An enrollment by a member for self and family covers the member and the dependents of the member who are described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

"(c) OPEN ENROLLMENT PERIODS.—The Secretary of Defense shall provide for at least one open enrollment period each year. During an open enrollment period, a member eligible under subsection (a) may enroll in the TRICARE program or change or terminate an enrollment in the TRICARE program.

"(d) SCOPE OF CARE.—(1) A member and the dependents of a member enrolled in the TRICARE program under this section shall be entitled to the same benefits under this chapter as a member of the uniformed services on active duty or a dependent of such a member, respectively.

Applicability. "(2) Section 1074(c) of this title shall apply with respect to a member enrolled in the TRICARE program under this section.

"(e) PREMIUMS.—(1) The Secretary of Defense shall charge premiums for coverage pursuant to enrollments under this section. The Secretary shall prescribe for each of the TRICARE program options a premium for self alone coverage and a premium for self and family coverage.

"(2) The monthly amount of the premium in effect for a month for a type of coverage under this section shall be the amount equal to 28 percent of the total amount determined by the Secretary on an appropriate actuarial basis as being reasonable for the coverage.

"(3) The premiums payable by a member under this subsection may be deducted and withheld from basic pay payable to the member under section 204 of title 37 or from compensation payable to the member under section 206 of such title. The Secretary shall prescribe the requirements and procedures applicable to the payment of premiums by members not entitled to such basic pay or compensation.

"(4) Amounts collected as premiums under this subsection shall be credited to the appropriation available for the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subparagraph (B) of such section for such fiscal year.

"(f) OTHER CHARGES.—A person who receives health care pursuant to an enrollment in a TRICARE program option under this section, including a member who receives such health care, shall be subject to the same deductibles, copayments, and other nonpremium charges for health care as apply under this chapter for health care provided under the same TRICARE program option to dependents described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

"(g) TERMINATION OF ENROLLMENT.—(1) A member enrolled in the TRICARE program under this section may terminate the enrollment only during an open enrollment period provided under subsection (c), except as provided in subsection (h).

"(2) An enrollment of a member for self alone or for self and family under this section shall terminate on the first day of the first month beginning after the date on which the member ceases to be eligible under subsection (a).

"(3) The enrollment of a member under this section may be terminated on the basis of failure to pay the premium charged the member under this section.

"(h) RELATIONSHIP TO TRANSITION TRICARE COVERAGE UPON SEPARATION FROM ACTIVE DUTY.—(1) A member may not enroll in the TRICARE program under this section while entitled to transitional health care under subsection (a) of section 1145 of this title or while authorized to receive health care under subsection (c) of such section.

"(2) A member who enrolls in the TRICARE program under this section within 90 days after the date of the termination of the member's entitlement or eligibility to receive health care under subsection (a) or (c) of section 1145 of this title may terminate the enrollment at any time within one year after the date of the enrollment.

"(i) CERTIFICATION OF NONCOVERAGE BY OTHER HEALTH BENEFITS PLAN.—The Secretary of Defense may require a member to submit any certification that the Secretary considers appropriate to substantiate the member's assertion that the member is not covered for health care benefits under any other health benefits plan.

"(j) ELIGIBLE UNEMPLOYMENT COMPENSATION RECIPIENT DEFINED.—In this section, the term 'eligible unemployment compensation recipient' means, with respect to any month, any individual who is determined eligible for any day of such month for unemployment compensation under State law (as defined in section 205(9) of the Federal-State Extended Unemployment Compensation Act of 1970), including Federal unemployment compensation laws administered through the State.

"(k) REGULATIONS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.

"(l) TERMINATION OF AUTHORITY.—An enrollment in TRICARE under this section may not continue after December 31, 2004.".

SEC. 703. EARLIER ELIGIBILITY DATE FOR TRICARE BENEFITS FOR MEMBERS OF RESERVE COMPONENTS.

Subsection (d) of section 1074 of title 10, United States Code, as added by section 1116 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, is amended to read as follows:

"(d)(1) For the purposes of this chapter, a member of a reserve component of the armed forces who is issued a delayed-effective-date active-duty order, or is covered by such an order, shall be treated as being on active duty for a period of more than 30 days beginning on the later of the date that is—

"(A) the date of the issuance of such order; or

"(B) 90 days before the date on which the period of active duty is to commence under such order for that member.

"(2) In this subsection, the term 'delayed-effective-date active-duty order' means an order to active duty for a period of more than 30 days in support of a contingency operation under a provision of law referred to in section 101(a)(13)(B) of this title that provides for active-duty service to begin under such order on a date after the date of the issuance of the order.

Termination date.

"(3) This subsection shall cease to be effective on December 31, 2004.".

10 USC 1145 note.

SEC. 704. TEMPORARY EXTENSION OF TRANSITIONAL HEALTH CARE BENEFITS.

(a) EXTENSION.—Subject to subsection (b), and notwithstanding section 1117 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, during the period beginning on the date of the enactment of this Act and ending on December 31, 2004, section 1145(a) of title 10, United States Code, shall be administered by substituting for paragraph (3) the following:

"(3) Transitional health care for a member under subsection (a) shall be available for 180 days beginning on the date on which the member is separated from active duty.".

(b) EFFECTIVE DATE.—(1) Subsection (a) shall apply with respect to separations from active duty that take effect on or after the date of the enactment of this Act.

(2) Beginning on January 1, 2005, the period for which a member is provided transitional health care benefits under section 1145(a) of title 10, United States Code, shall be adjusted as necessary to comply with the limits provided under paragraph (3) of such section.

SEC. 705. ASSESSMENT OF NEEDS OF RESERVES FOR HEALTH CARE BENEFITS.

(a) GAO EVALUATION OF NEEDS OF RESERVE COMPONENTS FOR HEALTH CARE BENEFITS.—The Comptroller General shall evaluate the needs of members of the reserve components of the Armed Forces and their families for obtaining and maintaining coverage for health care benefits under health care benefits plans and programs.

(b) SPECIAL CONCERN.—In conducting the evaluation under this section, the Comptroller General shall give special consideration to the implications of the increased use of the reserve components for carrying out and supporting operations of the Armed Forces that has been experienced since the 1980s and is anticipated to continue, particularly the increased frequency and magnitude of the mobilization of Reserves and the increased length of the periods of active duty of Reserves when mobilized.

(c) MATTERS COVERED.—The evaluation under this section shall include the following matters:

(1) An examination of the extent to which Reserves and the members of their families are covered by health care benefits plans when the Reserves are not on active duty, including—

(A) the sources of the coverage;

(B) the scope of the benefits; and

(C) the extent to which the Reserves and the members of their families use the benefits available.

(2) An identification of options for providing health care benefits to Reserves and the members of their families not covered by health care benefits plans without creating an incentive for other Reserves to terminate coverage by such plans.

(3) A review of Department of Defense initiatives during fiscal years 2003 and 2004 to address the problems of access of mobilized Reserves and their families to health care and health care benefits, including—

(A) a determination of the effectiveness of such initiatives; and

(B) a determination of the extent to which the problems continue.

(4) An identification of options for continuing, after a Reserve is mobilized, any coverage of the Reserve and the Reserve's family that exists under a health benefits plan before the Reserve is mobilized.

(5) An assessment of the effects of—

(A) the provisions of this title that authorize or require the Department of Defense to provide assistance specifically to Reserves to facilitate the access to and use of TRICARE benefits by Reserves or members of their families; and

(B) the provisions of this title that provide eligibility for health care under chapter 55 of title 10, United States

Code, for Reserves who are alerted by the Department of Defense to prepare to be mobilized imminently.

(6) An examination of the existing programs under which the Department of Defense provides health care benefits to mobilized Reserves during a transitional period immediately following the release of the Reserves from the active duty for which mobilized, including an assessment of the extent to which those programs meet the needs of such Reserves for health care benefits on a transitional basis.

(d) REPORT.—Not later than May 1, 2004, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the evaluation required by this subsection, including findings and recommendations.

Deadline.

(e) DEFINITIONS.—In this section:

(1) The term "mobilized" means called or ordered to active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code).

(2) The term "Reserves" means members of the reserve components of the Armed Forces.

SEC. 706. LIMITATION ON FISCAL YEAR 2004 OUTLAYS FOR TEMPORARY RESERVE HEALTH CARE PROGRAMS.

10 USC 1076b note.

(a) OUTLAY LIMITATION.—In the administration of the temporary Reserve health care programs, the Secretary of Defense shall carry out those program so as to limit the total Department of Defense expenditures under those programs during fiscal year 2004 to an amount not in excess $400,000,000.

(b) CONTINUITY OF CARE.—In the administration of the temporary Reserve health care programs, the Secretary of Defense shall carry out the implementation and termination of those programs so as to ensure the least amount of disruption to the continuity of care for persons provided care under those programs.

(c) TEMPORARY RESERVE HEALTH CARE PROGRAMS.—For purposes of this section, the term "temporary Reserve health care programs" means the following:

(1) The program under section 1076b of title 10, United States Code, as amended by section 702.

(2) The program under section 1074(d) of title 10, United States Code, as amended by section 703.

(3) The program under section 704.

SEC. 707. TRICARE BENEFICIARY COUNSELING AND ASSISTANCE COORDINATORS FOR RESERVE COMPONENT BENEFICIARIES.

Section 1095e(a)(1) of title 10, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

"(B) designate for each of the TRICARE program regions at least one person (other than a person designated under subparagraph (A)) to serve full-time as a beneficiary counseling and assistance coordinator solely for members of the reserve components and their dependents who are beneficiaries under the TRICARE program; and".

SEC. 708. ELIGIBILITY OF RESERVE OFFICERS FOR HEALTH CARE PENDING ORDERS TO ACTIVE DUTY FOLLOWING COMMISSIONING.

Section 1074(a) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking "who is on active duty" and inserting "described in paragraph (2)"; and

(3) by adding at the end the following new paragraph:

"(2) Members of the uniformed services referred to in paragraph (1) are as follows:

"(A) A member of a uniformed service on active duty.

"(B) A member of a reserve component of a uniformed service who has been commissioned as an officer if—

"(i) the member has requested orders to active duty for the member's initial period of active duty following the commissioning of the member as an officer;

"(ii) the request for orders has been approved;

"(iii) the orders are to be issued but have not been issued; and

"(iv) the member does not have health care insurance and is not covered by any other health benefits plan.".

Subtitle B—Other Benefits Improvements

10 USC 1092 note.

SEC. 711. ACCELERATION OF IMPLEMENTATION OF CHIROPRACTIC HEALTH CARE FOR MEMBERS ON ACTIVE DUTY.

The Secretary of Defense shall accelerate the implementation of the plan required by section 702 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398; 114 Stat. 1654A–173) (relating to chiropractic health care services and benefits), with a goal of completing implementation of the plan by October 1, 2005.

SEC. 712. REIMBURSEMENT OF COVERED BENEFICIARIES FOR CERTAIN TRAVEL EXPENSES RELATING TO SPECIALIZED DENTAL CARE.

Section 1074i of title 10, United States Code, is amended—

(1) by inserting "(a) IN GENERAL.—" before "In any case"; and

(2) by adding at the end the following new subsection:

"(b) DEFINITIONS.—In this section:

"(1) The term 'specialty care provider' includes a dental specialist.

"(2) The term 'dental specialist' means an oral surgeon, orthodontist, prosthodontist, periodontist, endodontist, or pediatric dentist, and includes such other providers of dental care and services as determined appropriate by the Secretary of Defense.".

SEC. 713. ELIGIBILITY FOR CONTINUED HEALTH BENEFITS COVERAGE EXTENDED TO CERTAIN MEMBERS OF UNIFORMED SERVICES.

(a) EXTENSION.—Section 1078a(b) of title 10, United States Code, is amended in paragraphs (1), (2)(A), and (3)(A) by striking "armed forces" and inserting "uniformed services" each place it appears.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to members of the uniformed services who are not otherwise covered by section 1078a of title 10, United States Code, before the date of the enactment of this Act and who, on or after such date, first meet the eligibility criteria specified in subsection (b) of that section.

Applicability.
10 USC 1078a note.

SEC. 714. AUTHORITY FOR DESIGNATED PROVIDERS TO ENROLL COVERED BENEFICIARIES WITH OTHER PRIMARY HEALTH INSURANCE COVERAGE.

Subsection (d) of section 724 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended to read as follows:

"(d) ADDITIONAL ENROLLMENT AUTHORITY.—(1) Subject to paragraph (2), other covered beneficiaries may also receive health care services from a designated provider.

"(2)(A) The designated provider may market such services to, and enroll, covered beneficiaries who—

"(i) subject to the limitation in subparagraph (B), have other primary health insurance coverage (other than Medicare coverage) covering basic primary care and inpatient and outpatient services; or

"(ii) are enrolled in the direct care system under the TRICARE program, regardless of whether the covered beneficiaries were users of the health care delivery system of the uniformed services in prior years.

"(B) For each fiscal year beginning after September 30, 2003, the number of covered beneficiaries who are newly enrolled by a designated provider pursuant to subparagraph (A)(i) may not exceed 10 percent of the excess (if any) of—

"(i) the number of enrollees in managed care plans offered by designated providers as of the first day of such fiscal year; over

"(ii) the number of such enrollees as of the first day of the immediately preceding fiscal year.

"(3) For purposes of this subsection, a covered beneficiary who has other primary health insurance coverage includes any covered beneficiary who has primary health insurance coverage—

"(A) on the date of enrollment with a designated provider pursuant to paragraph (2)(A)(i); or

"(B) on such date of enrollment and during the period after such date while the beneficiary is enrolled with the designated provider.".

Subtitle C—Planning, Programming, and Management

SEC. 721. PERMANENT EXTENSION OF AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS FOR THE PERFORMANCE OF HEALTH CARE RESPONSIBILITIES AT LOCATIONS OTHER THAN MILITARY MEDICAL TREATMENT FACILITIES.

Section 1091(a)(2) of title 10, United States Code, is amended by striking "The Secretary may not enter into a contract under this paragraph after December 31, 2003.".

SEC. 722. DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND VALUATIONS AND CONTRIBUTIONS.

(a) SEPARATE PERIODIC ACTUARIAL VALUATION FOR SINGLE UNIFORMED SERVICE.—Section 1115(c) of title 10, United States Code, is amended by adding at the end of paragraph (1) the following: "The Secretary of Defense may determine a separate single level dollar amount under subparagraph (A) or (B) for any participating uniformed service, if, in the judgment of the Secretary, such a determination would produce a more accurate and appropriate actuarial valuation for that uniformed service.".

(b) ASSOCIATED CALCULATIONS OF PAYMENTS INTO THE FUND.—Section 1116 of such title is amended—

(1) in subsection (a), by striking "the amount that" in the matter preceding paragraph (1) and inserting "the amount that, subject to subsection (b),";

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) If an actuarial valuation referred to in paragraph (1) or (2) of subsection (a) has been calculated as a separate single level dollar amount for a participating uniformed service under section 1115(c)(1) of this title, the administering Secretary for the department in which such uniformed service is operating shall calculate the amount under such paragraph separately for such uniformed service. If the administering Secretary is not the Secretary of Defense, the administering Secretary shall notify the Secretary of Defense of the amount so calculated. To determine a single amount for the purpose of paragraph (1) or (2) of subsection (a), as the case may be, the Secretary of Defense shall aggregate the amount calculated under this subsection for a uniformed service for the purpose of such paragraph with the amount or amounts calculated (whether separately or otherwise) for the other uniformed services for the purpose of such paragraph.".

(c) CONFORMING AMENDMENT.—Subsections (a) and (c)(5) of section 1115 of such title are amended by striking "section 1116(b) of this title" and inserting "section 1116(c) of this title".

10 USC 1073 note.

SEC. 723. SURVEYS ON CONTINUED VIABILITY OF TRICARE STANDARD.

(a) REQUIREMENT FOR SURVEYS.—(1) The Secretary of Defense shall conduct surveys in the TRICARE market areas in the United States to determine how many health care providers are accepting new patients under TRICARE Standard in each such market area.

(2) The Secretary shall carry out the surveys in at least 20 TRICARE market areas in the United States each fiscal year after fiscal year 2003 until all such market areas in the United States have been surveyed. The Secretary shall complete six of the fiscal year 2004 surveys not later than March 31, 2004.

Deadline.

(3) In prioritizing the market areas for the sequence in which market areas are to be surveyed under this subsection, the Secretary shall consult with representatives of TRICARE beneficiaries and health care providers to identify locations where TRICARE Standard beneficiaries are experiencing significant levels of access-to-care problems under TRICARE Standard and shall give a high priority to surveying health care providers in such areas.

(b) SUPERVISION.—(1) The Secretary shall designate a senior official of the Department of Defense to take the actions necessary for achieving and maintaining participation of health care providers in TRICARE Standard in each TRICARE market area in a number that is adequate to ensure the viability of TRICARE Standard for TRICARE beneficiaries in that market area.

(2) The official designated under paragraph (1) shall have the following duties:

(A) To educate health care providers about TRICARE Standard.

(B) To encourage health care providers to accept patients under TRICARE Standard.

(C) To ensure that TRICARE beneficiaries have the information necessary to locate TRICARE Standard providers readily.

(D) To recommend adjustments in TRICARE Standard provider payment rates that the official considers necessary to ensure adequate availability of TRICARE Standard providers for TRICARE Standard beneficiaries.

(c) GAO REVIEW.—(1) The Comptroller General shall, on an ongoing basis, review—

(A) the processes, procedures, and analysis used by the Department of Defense to determine the adequacy of the number of health care providers—

(i) that currently accept TRICARE Standard beneficiaries as patients under TRICARE Standard in each TRICARE market area (as of the date of completion of the review); and

(ii) that would accept TRICARE Standard beneficiaries as new patients under TRICARE Standard in each TRICARE market area (within a reasonable time after the date of completion of the review); and

(B) the actions taken by the Department of Defense to ensure ready access of TRICARE Standard beneficiaries to health care under TRICARE Standard in each TRICARE market area.

Reports.

(2)(A) The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a semiannual report on the results of the review under paragraph (1). The first semiannual report shall be submitted not later than June 30, 2004.

(B) The semiannual report under subparagraph (A) shall include the following:

(i) An analysis of the adequacy of the surveys under subsection (a).

(ii) The adequacy of existing statutory authority to address inadequate levels of participation by health care providers in TRICARE Standard.

(iii) Identification of policy-based obstacles to achieving adequacy of availability of TRICARE Standard health care in the TRICARE market areas.

(iv) An assessment of the adequacy of Department of Defense education programs to inform health care providers about TRICARE Standard.

(v) An assessment of the adequacy of Department of Defense initiatives to encourage health care providers to accept patients under TRICARE Standard.

(vi) An assessment of the adequacy of information available to TRICARE Standard beneficiaries to facilitate access by such beneficiaries to health care under TRICARE Standard.

(vii) Any need for adjustment of health care provider payment rates to attract participation in TRICARE Standard by appropriate numbers of health care providers.

(d) DEFINITIONS.—In this section:

(1) The term "TRICARE Standard" means the option of the TRICARE program that is also known as the Civilian Health and Medical Program of the Uniformed Services, as defined in section 1072(4) of title 10, United States Code.

(2) The term "United States" means the United States (as defined in section 101(a) of title 10, United States Code), its possessions (as defined in such section), and the Commonwealth of Puerto Rico.

10 USC 1079 note.

SEC. 724. PLAN FOR PROVIDING HEALTH COVERAGE INFORMATION TO MEMBERS, FORMER MEMBERS, AND DEPENDENTS ELIGIBLE FOR CERTAIN HEALTH BENEFITS.

(a) HEALTH INFORMATION PLAN REQUIRED.—The Secretary of Defense shall develop a plan to—

(1) ensure that each household that includes one or more eligible persons is provided information concerning—

(A) the extent of health coverage provided by sections 1079 or 1086 of title 10, United States Code, for each such person;

(B) the costs, including the limits on such costs, that each such person is required to pay for such health coverage;

(C) sources of information for locating TRICARE-authorized providers in the household's locality; and

(D) methods to obtain assistance in resolving difficulties encountered with billing, payments, eligibility, locating TRICARE-authorized providers, collection actions, and such other issues as the Secretary considers appropriate;

(2) provide mechanisms to ensure that each eligible person has access to information identifying TRICARE-authorized providers in the person's locality who have agreed to accept new patients under section 1079 or 1086 of title 10, United States Code, and to ensure that such information is periodically updated;

(3) provide mechanisms to ensure that each eligible person who requests assistance in locating a TRICARE-authorized provider is provided such assistance;

(4) provide information and recruitment materials and programs aimed at attracting participation of health care providers as necessary to meet health care access requirements for all eligible persons; and

(5) provide mechanisms to allow for the periodic identification by the Department of Defense of the number and locality of eligible persons who may intend to rely on TRICARE-authorized providers for health care services.

(b) IMPLEMENTATION OF PLAN.—The Secretary of Defense shall implement the plan required by subsection (a) with respect to any contract entered into by the Department of Defense after May 31, 2003, for managed health care.

(c) DEFINITIONS.—In this section:

(1) The term "eligible person" means a person eligible for health benefits under section 1079 or 1086 of title 10, United States Code.

(2) The term "TRICARE-authorized provider" means a facility, doctor, or other provider of health care services—

(A) that meets the licensing and credentialing certification requirements in the State where the services are rendered;

(B) that meets requirements under regulations relating to TRICARE for the type of health care services rendered; and

(C) that has accepted reimbursement by the Secretary of Defense as payment for services rendered during the 12-month period preceding the date of the most recently updated provider information provided to households under the plan required by subsection (a).

(d) SUBMISSION OF PLAN.—Not later than March 31, 2004, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives the plan required by subsection (a), together with a schedule for implementation of the plan.

Deadline.

SEC. 725. TRANSFER OF CERTAIN MEMBERS OF THE PHARMACY AND THERAPEUTICS COMMITTEE TO THE UNIFORM FORMULARY BENEFICIARY ADVISORY PANEL UNDER THE PHARMACY BENEFITS PROGRAM.

Section 1074g of title 10, United States Code, is amended—

(1) in subsection (b)(1) in the second sentence, by striking "facilities," and all that follows through the end of the sentence and inserting "facilities and representatives of providers in facilities of the uniformed services."; and

(2) in subsection (c)(2)—

(A) by striking "represent nongovernmental" and inserting the following: "represent—

"(A) nongovernmental";

(B) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

"(B) contractors responsible for the TRICARE retail pharmacy program;

"(C) contractors responsible for the national mail-order pharmacy program; and

"(D) TRICARE network providers.".

SEC. 726. WORKING GROUP ON MILITARY HEALTH CARE FOR PERSONS RELIANT ON HEALTH CARE FACILITIES AT MILITARY INSTALLATIONS TO BE CLOSED OR REALIGNED.

(a) IN GENERAL.—Section 722 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 1073 note) is amended by striking subsections (a), (b), (c), and (d) and inserting the following new subsections:

"(a) ESTABLISHMENT.—Not later than December 31, 2003, the Secretary of Defense shall establish a working group on the provision of military health care to persons who rely for health care on health care facilities located at military installations—

Deadline.

"(1) inside the United States that are selected for closure or realignment in the 2005 round of realignments and closures authorized by sections 2912, 2913, and 2914 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by title XXX of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 155 Stat. 1342); or

"(2) outside the United States that are selected for closure or realignment as a result of force posture changes.

"(b) MEMBERSHIP.—The members of the working group shall include, at a minimum, the following:

"(1) The Assistant Secretary of Defense for Health Affairs, or a designee of the Assistant Secretary.

"(2) The Surgeon General of the Army, or a designee of that Surgeon General.

"(3) The Surgeon General of the Navy, or a designee of that Surgeon General.

"(4) The Surgeon General of the Air Force, or a designee of that Surgeon General.

"(5) At least one independent member (appointed by the Secretary of Defense) from each TRICARE region, but not to exceed a total of 12 members appointed under this paragraph, whose experience in matters within the responsibility of the working group qualify that person to represent persons authorized health care under chapter 55 of title 10, United States Code.

"(c) DUTIES.—(1) In developing the recommendations for the 2005 round of realignments and closures required by sections 2913 and 2914 of the Defense Base Closure and Realignment Act of 1990, the Secretary of Defense shall consult with the working group.

"(2) The working group shall be available to provide assistance to the Defense Base Closure and Realignment Commission.

"(3) In the case of each military installation referred to in paragraph (1) or (2) of subsection (a) whose closure or realignment will affect the accessibility to health care services for persons entitled to such services under chapter 55 of title 10, United States Code, the working group shall provide to the Secretary of Defense a plan for the provision of the health care services to such persons.

"(d) SPECIAL CONSIDERATIONS.—In carrying out its duties under subsection (c), the working group—

"(1) shall conduct meetings with persons entitled to health care services under chapter 55 of title 10, United States Code, or representatives of such persons;

"(2) may use reliable sampling techniques;

"(3) may visit the areas where closures or realignments of military installations will adversely affect the accessibility of health care for such persons and may conduct public meetings; and

"(4) shall ensure that members of the uniformed services on active duty, members and former members of the uniformed services entitled to retired or retainer pay, and dependents and survivors of such members and retired personnel are afforded the opportunity to express their views.".

(b) TERMINATION.—Section 722 of such Act is further amended by adding at the end the following new subsection:

"(f) TERMINATION.—The working group established pursuant to subsection (a) shall terminate on December 31, 2006.".

(c) CONFORMING AMENDMENT.—Subsection (e) of such section is amended by striking "joint services".

SEC. 727. JOINT PROGRAM FOR DEVELOPMENT AND EVALUATION OF INTEGRATED HEALING CARE PRACTICES FOR MEMBERS OF THE ARMED FORCES AND VETERANS.

38 USC 320 note.

(a) PROGRAM.—The Secretary of Defense and the Secretary of Veterans Affairs may conduct a program to develop and evaluate integrated healing care practices for members of the Armed Forces and veterans. Any such program shall be carried out through the Department of Veterans Affairs-Department of Defense Joint Executive Committee established under section 320 of title 38, United States Code.

(b) SOURCE OF DOD FUNDS.—Amounts authorized to be appropriated by this Act for the Defense Health Program may be used for the program under subsection (a).

TITLE VIII—AQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

Sec. 801. Consolidation of contract requirements.
Sec. 802. Quality control in procurement of aviation critical safety items and related services.
Sec. 803. Federal support for enhancement of State and local anti-terrorism response capabilities.
Sec. 804. Special temporary contract closeout authority.
Sec. 805. Competitive award of contracts for reconstruction activities in Iraq.

Subtitle B—United States Defense Industrial Base Provisions

PART I—ESSENTIAL ITEMS IDENTIFICATION AND DOMESTIC PRODUCTION CAPABILITIES IMPROVEMENT PROGRAM

Sec. 811. Consistency with United States obligations under international agreements.
Sec. 812. Assessment of United States defense industrial base capabilities.
Sec. 813. Identification of essential items: military system breakout list.
Sec. 814. Production capabilities improvement for certain essential items using defense industrial base capabilities fund.

PART II—REQUIREMENTS RELATING TO SPECIFIC ITEMS

Sec. 821. Elimination of unreliable sources of defense items and components.
Sec. 822. Incentive program for major defense acquisition programs to use machine tools and other capital assets produced within the United States.
Sec. 823. Technical assistance relating to machine tools.
Sec. 824. Study of beryllium industrial base.

PART III—OTHER DOMESTIC SOURCE REQUIREMENTS

Sec. 826. Exceptions to Berry amendment for contingency operations and other urgent situations.
Sec. 827. Inapplicability of Berry amendment to procurements of waste and byproducts of cotton and wool fiber for use in the production of propellants and explosives.
Sec. 828. Buy American exception for ball bearings and roller bearings used in foreign products.

Subtitle C—Defense Acquisition and Support Workforce Flexibility

Sec. 831. Management structure.
Sec. 832. Elimination of role of Office of Personnel Management.
Sec. 833. Single acquisition corps.
Sec. 834. Consolidation of certain education and training program requirements.
Sec. 835. General management provisions.

Sec. 836. Clerical amendments.

Subtitle D—Amendments to General Contracting Authorities, Procedures, and Limitations

Sec. 841. Additional authority to enter into personal services contracts.
Sec. 842. Elimination of certain subcontract notification requirements.
Sec. 843. Multiyear task and delivery order contracts.
Sec. 844. Elimination of requirement to furnish written assurances of technical data conformity.
Sec. 845. Access to information relevant to items deployed under rapid acquisition and deployment procedures.
Sec. 846. Applicability of requirement for reports on maturity of technology at initiation of major defense acquisition programs.
Sec. 847. Certain weapons-related prototype projects.
Sec. 848. Limited acquisition authority for commander of United States Joint Forces Command.

Subtitle E—Acquisition-Related Reports and Other Matters

Sec. 851. Report on contract payments to small businesses.
Sec. 852. Contracting with employers of persons with disabilities.
Sec. 853. Demonstration project for contractors employing persons with disabilities.

Subtitle A—Acquisition Policy and Management

SEC. 801. CONSOLIDATION OF CONTRACT REQUIREMENTS.

(a) AMENDMENT TO TITLE 10.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2381 the following new section:

“§ 2382. Consolidation of contract requirements: policy and restrictions

“(a) POLICY.—The Secretary of Defense shall require the Secretary of each military department, the head of each Defense Agency, and the head of each Department of Defense Field Activity to ensure that the decisions made by that official regarding consolidation of contract requirements of the department, agency, or field activity, as the case may be, are made with a view to providing small business concerns with appropriate opportunities to participate in Department of Defense procurements as prime contractors and appropriate opportunities to participate in such procurements as subcontractors.

“(b) LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.—(1) An official of a military department, Defense Agency, or Department of Defense Field Activity may not execute an acquisition strategy that includes a consolidation of contract requirements of the military department, agency, or activity with a total value in excess of $5,000,000, unless the senior procurement executive concerned first—

“(A) conducts market research;

“(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; and

“(C) determines that the consolidation is necessary and justified.

“(2) A senior procurement executive may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1) if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches identified under subparagraph (B) of that paragraph. However, savings in administrative or personnel costs alone do not constitute, for such purposes, a sufficient justification for a consolidation of contract requirements in a procurement unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

"(3) Benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

"(A) quality;

"(B) acquisition cycle;

"(C) terms and conditions; and

"(D) any other benefit.

"(c) DEFINITIONS.—In this section:

"(1) The terms 'consolidation of contract requirements' and 'consolidation', with respect to contract requirements of a military department, Defense Agency, or Department of Defense Field Activity, mean a use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy two or more requirements of that department, agency, or activity for goods or services that have previously been provided to, or performed for, that department, agency, or activity under two or more separate contracts smaller in cost than the total cost of the contract for which the offers are solicited.

"(2) The term 'multiple award contract' means—

"(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of this title;

"(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of this title or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

"(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.

"(3) The term 'senior procurement executive concerned' means—

"(A) with respect to a military department, the official designated under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)) as the senior procurement executive for the military department; or

"(B) with respect to a Defense Agency or a Department of Defense Field Activity, the official so designated for the Department of Defense.

"(4) The term 'small business concern' means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2381 the following new item:

"2382. Consolidation of contract requirements: policy and restrictions.".

10 USC 2382 note.

(b) DATA REVIEW.—(1) The Secretary of Defense shall revise the data collection systems of the Department of Defense to ensure that such systems are capable of identifying each procurement that involves a consolidation of contract requirements within the department with a total value in excess of $5,000,000.

(2) The Secretary shall ensure that appropriate officials of the Department of Defense periodically review the information collected pursuant to paragraph (1) in cooperation with the Small Business Administration—

(A) to determine the extent of the consolidation of contract requirements in the Department of Defense; and

(B) to assess the impact of the consolidation of contract requirements on the availability of opportunities for small business concerns to participate in Department of Defense procurements, both as prime contractors and as subcontractors.

(3) In this subsection:

(A) The term "consolidation of contract requirements" has the meaning given that term in section 2382(c)(1) of title 10, United States Code, as added by subsection (a).

(B) The term "small business concern" means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

10 USC 2382 note.

(c) APPLICABILITY.—This section applies with respect to procurements for which solicitations are issued after the date occurring 180 days after the date of the enactment of this Act.

10 USC 2382 note.

SEC. 802. QUALITY CONTROL IN PROCUREMENT OF AVIATION CRITICAL SAFETY ITEMS AND RELATED SERVICES.

(a) QUALITY CONTROL POLICY.—The Secretary of Defense shall prescribe in regulations a quality control policy for the procurement of aviation critical safety items and the procurement of modifications, repair, and overhaul of such items.

(b) CONTENT OF REGULATIONS.—The policy set forth in the regulations shall include the following requirements:

(1) That the head of the design control activity for aviation critical safety items establish processes to identify and manage the procurement, modification, repair, and overhaul of aviation critical safety items.

(2) That the head of the contracting activity for an aviation critical safety item enter into a contract for the procurement, modification, repair, or overhaul of such item only with a source approved by the design control activity in accordance with section 2319 of title 10, United States Code.

(3) That the aviation critical safety items delivered, and the services performed with respect to aviation critical safety items, meet all technical and quality requirements specified by the design control activity.

(c) DEFINITIONS.—In this section, the terms "aviation critical safety item" and "design control activity" have the meanings given such terms in section 2319(g) of title 10, United States Code, as amended by subsection (d).

(d) CONFORMING AMENDMENT TO TITLE 10.—Section 2319 of title 10, United States Code, is amended—

(1) in subsection (c)(3), by inserting after "the contracting officer" the following: "(or, in the case of a contract for the procurement of an aviation critical safety item, the head of the design control activity for such item)"; and

(2) by adding at the end the following new subsection:

"(g) DEFINITIONS.—In this section:

"(1) The term 'aviation critical safety item' means a part, an assembly, installation equipment, launch equipment, recovery equipment, or support equipment for an aircraft or aviation weapon system if the part, assembly, or equipment contains a characteristic any failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in the loss of or serious damage to the aircraft or weapon system, an unacceptable risk of personal injury or loss of life, or an uncommanded engine shutdown that jeopardizes safety.

"(2) The term 'design control activity', with respect to an aviation critical safety item, means the systems command of a military department that is specifically responsible for ensuring the airworthiness of an aviation system or equipment in which the item is to be used.".

SEC. 803. FEDERAL SUPPORT FOR ENHANCEMENT OF STATE AND LOCAL ANTI-TERRORISM RESPONSE CAPABILITIES.

40 USC 405 note.

(a) PROCUREMENTS OF ANTI-TERRORISM TECHNOLOGIES AND SERVICES BY STATE AND LOCAL GOVERNMENTS.—The Administrator for Federal Procurement Policy shall establish a program under which States and units of local government may procure through contracts entered into by the Department of Defense or the Department of Homeland Security anti-terrorism technologies or anti-terrorism services for the purpose of preventing, detecting, identifying, deterring, or recovering from acts of terrorism.

(b) AUTHORITIES.—Under the program, the Secretary of Defense and the Secretary of Homeland Security may, but shall not be required to, award contracts using the procedures established by the Administrator of General Services for the multiple awards schedule program of the General Services Administration.

(c) DEFINITION.—In this section, the term "State or local government" has the meaning provided in section 502(c)(3) of title 40, United States Code.

SEC. 804. SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

(a) AUTHORITY.—The Secretary of Defense may settle any financial account for a contract entered into by the Secretary or the Secretary of a military department before October 1, 1996, that is administratively complete if the financial account has an unreconciled balance, either positive or negative, that is less than $100,000.

(b) FINALITY OF DECISION.—A settlement under this section shall be final and conclusive upon the accounting officers of the United States.

(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the administration of the authority under this section.

(d) TERMINATION OF AUTHORITY.—A financial account may not be settled under this section after September 30, 2006.

10 USC 2302 note.

SEC. 805. COMPETITIVE AWARD OF CONTRACTS FOR RECONSTRUCTION ACTIVITIES IN IRAQ.

(a) COMPETITIVE AWARD OF CONTRACTS.—The Department of Defense shall fully comply with chapter 137 of title 10, United States Code, and other applicable procurement laws and regulations for any contract awarded for reconstruction activities in Iraq, and shall conduct a full and open competition for performing work needed for the reconstruction of the Iraqi oil industry.

Deadline.

(b) REPORT.—If the Department of Defense does not have a fully competitive contract in place to replace the March 8, 2003, contract for the reconstruction of the Iraqi oil industry on the date of the enactment of this Act, the Secretary of Defense shall submit to Congress, not later than 30 days after such date of enactment, a report detailing the reasons for allowing the March 8, 2003, contract to continue.

Subtitle B—United States Defense Industrial Base Provisions

10 USC 2501 note.

Part I—Essential Items Identification and Domestic Production Capabilities Improvement Program

SEC. 811. CONSISTENCY WITH UNITED STATES OBLIGATIONS UNDER INTERNATIONAL AGREEMENTS.

No provision of this subtitle or any amendment made by this subtitle shall apply to the extent the Secretary of Defense, in consultation with the Secretary of Commerce, the United States Trade Representative, and the Secretary of State, determines that it is inconsistent with United States obligations under an international agreement.

SEC. 812. ASSESSMENT OF UNITED STATES DEFENSE INDUSTRIAL BASE CAPABILITIES.

(a) ASSESSMENT PROGRAM.—(1) The Secretary of Defense shall establish a program to assess—

(A) the degree to which the United States is dependent on foreign sources of supply; and

(B) the capabilities of the United States defense industrial base to produce military systems necessary to support the national security objectives set forth in section 2501 of title 10, United States Code.

(2) For purposes of the assessment program, the Secretary shall use existing data, as required under subsection (b), and submit an annual report, as required under subsection (c).

(b) USE OF EXISTING DATA.—(1) At a minimum, with respect to each prime contract with a value greater than $25,000 for the procurement of defense items and components, the following information from existing sources shall be used for purposes of the assessment program:

(A) Whether the contractor is a United States or foreign contractor.

(B) The principal place of business of the contractor and the principal place of performance of the contract.

(C) Whether the contract was awarded on a sole source basis or after receipt of competitive offers.

(D) The dollar value of the contract.

(2) The Federal Procurement Data System described in section 6(d)(4)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)(4)(A)), or any successor system, shall collect from contracts described in paragraph (1) the information specified in that paragraph.

(3) Information obtained in the implementation of this section is subject to the same limitations on disclosure, and penalties for violation of such limitations, as is provided under section 2507 of title 10, United States Code. Such information also shall be exempt from release under section 552 of title 5, United States Code.

(4) For purposes of meeting the requirements set forth in this section, the Secretary of Defense may not require the provision of information beyond the information that is currently provided to the Department of Defense through existing data collection systems by non-Federal entities with respect to contracts and subcontracts with the Department of Defense or any military department.

Deadline.

(c) ANNUAL REPORT.—(1) Not later than February 1 of each year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the assessment program covering the preceding fiscal year. The first report under this subsection shall cover fiscal year 2004 and shall be submitted to the Committees no later than February 1, 2005.

(2)(A) The report shall include the following with respect to contracts described in subsection (b):

(i) The total number and value of such contracts awarded by the Department of Defense.

(ii) The total number and value of such contracts awarded on a sole source basis.

(iii) The total number and value of contracts described in clause (ii) awarded to foreign contractors, summarized by country.

(iv) The total number and value of contracts awarded to foreign contractors through competitive procedures, summarized by country.

(B) The report also shall include—

(i) the status of the matters described in subparagraphs (A) and (B) of subsection (a)(1);

(ii) the status of implementation of successor procurement data management systems; and

(iii) such other matters as the Secretary considers appropriate.

SEC. 813. IDENTIFICATION OF ESSENTIAL ITEMS: MILITARY SYSTEM BREAKOUT LIST.

(a) IDENTIFICATION PROCESS.—(1) The Secretary of Defense shall establish a process, using the Defense Logistics Information System existing database, to identify, with respect to each military system—

(A) the essential items, assemblies, and components of the system that are active items, assemblies, and components;

(B) foreign and domestic sources of supply for active items, assemblies, and components of the system;

(C) the active items, assemblies, and components of the system that are commercial; and

(D) Federal Supply Class and North American Industry Classification System Codes for active items, assemblies, and components of the system.

(2) Any modification to the logistics management system or any successor system of the Department of Defense shall maintain the capability to identify—

(A) essential items, assemblies, and components described in paragraph (1)(A);

(B) foreign and domestic sources of supply for active items, assemblies, and components;

(C) the active items, assemblies, and components of the system that are commercial; and

(D) Federal Supply Class and North American Industry Classification System Codes for active items, assemblies, and components.

(3) For purposes of meeting the requirements set forth in this section, the Secretary of Defense may not require the provision of information beyond the information that is currently provided to the Department of Defense through existing data collection systems by non-Federal entities with respect to contracts and subcontracts with the Department of Defense or any military department.

(b) MILITARY SYSTEM ESSENTIAL ITEM BREAKOUT LIST.—The Secretary of Defense shall produce a list, to be known as the "military system essential item breakout list", consisting of the items, assemblies, and components identified under subsection (a)(1)(A). In producing the list, the Secretary of Defense shall consider the results of the report under subsection (c).

Deadline.

(c) ASSESSMENT.—Not later than 18 months after the date of the enactment of this Act, the Secretary of Defense, acting through a federally funded research and development center, shall prepare a report that—

(1) assesses the criteria that should be used for identifying whether an item, assembly, or component is essential to a military system; and

(2) recommends which items, assemblies, and components should be included on the military system essential item breakout list under subsection (b).

Deadline.

(d) REPORT.—(1) Not later than November 1 of each year, beginning with November 1, 2005, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the implementation of this section. The report may be submitted in classified and unclassified form.

(2) The report shall include the following:

(A) A list of each military system covered by the process established under subsection (a).

(B) A list of the items, assemblies, and components on the military system essential item breakout list that are manufactured or produced outside the United States, setting forth military and commercial separately.

(C) The portion of the entire military system essential item breakout list that consists of the items, assemblies, and components listed under subparagraph (B) (stated as a percentage).

(D) A list of each Federal Supply Class and North American Industry Classification System Code represented on the military system essential item breakout list, and the portion of the entire military system essential item breakout list that consists of items, assemblies, or components in such classes or codes (stated as a percentage).

(E) A list of each country outside the United States where the items, assemblies, and components listed under subparagraph (B) are manufactured or produced, and the portion of the entire military system essential item breakout list that consists of—

(i) the items, assemblies, or components manufactured or produced in that country, setting forth military and commercial separately (stated as a percentage); and

(ii) the Federal Supply Classes and North American Industry Classification System Codes represented by those items, assemblies, or components (stated as a percentage).

Reports.
Deadline.

(3) The Secretary shall submit an interim version of the report required by this subsection not later than February 1, 2005, containing as much information as is practicable to be included by such date.

SEC. 814. PRODUCTION CAPABILITIES IMPROVEMENT FOR CERTAIN ESSENTIAL ITEMS USING DEFENSE INDUSTRIAL BASE CAPABILITIES FUND.

(a) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a separate fund to be known as the Defense Industrial Base Capabilities Fund (hereafter in this section referred to as the “Fund”).

(b) MONEYS IN FUND.—There shall be credited to the Fund amounts appropriated to it.

(c) USE OF FUND.—The Secretary of Defense is authorized to use all amounts in the Fund, subject to appropriation, for the purposes of enhancing or reconstituting United States industrial capability to produce items on the military system essential item breakout list (as described in section 812(b)) or items subject to section 2534 of title 10, United States Code, in the quantity and of the quality necessary to achieve national security objectives.

(d) LIMITATION ON USE OF FUND.—Before the obligation of any amounts in the Fund, the Secretary of Defense shall submit to Congress a report describing the Secretary’s plans for implementing the Fund established in subsection (a), including the priorities for the obligation of amounts in the Fund, the criteria for determining the recipients of such amounts, and the mechanisms through which such amounts may be provided to the recipients.

(e) AVAILABILITY OF FUNDS.—Amounts in the Fund shall remain available until expended.

(f) FUND MANAGER.—The Secretary of Defense shall designate a Fund manager. The duties of the Fund manager shall include—

(1) ensuring the visibility and accountability of transactions engaged in through the Fund; and

(2) reporting to Congress each year regarding activities of the Fund during the previous fiscal year.

Part II—Requirements Relating to Specific Items

10 USC 2534 note.

SEC. 821. ELIMINATION OF UNRELIABLE SOURCES OF DEFENSE ITEMS AND COMPONENTS.

(a) IDENTIFICATION OF CERTAIN COUNTRIES.—The Secretary of Defense, in coordination with the Secretary of State, shall identify and list foreign countries that restrict the provision or sale of military goods or services to the United States because of United States counterterrorism or military operations after the date of the enactment of this Act. The Secretary shall review and update the list as appropriate. The Secretary may remove a country from the list, if the Secretary determines that doing so would be in the interest of national defense.

(b) PROHIBITION ON PROCUREMENT OF ITEMS FROM IDENTIFIED COUNTRIES.—The Secretary of Defense may not procure any items or components contained in military systems if the items or components, or the systems, are manufactured in any foreign country identified under subsection (a).

(c) WAIVER AUTHORITY.—The Secretary of Defense may waive the limitation in subsection (b) if the Secretary determines in writing and notifies Congress that the Department of Defense's need for the item is of such an unusual and compelling urgency that the Department would be unable to meet national security objectives.

Applicability.

(d) EFFECTIVE DATE.—(1) Subject to paragraph (2), subsection (b) applies to contracts in existence on the date of the enactment of this Act or entered into after such date.

Deadline.

(2) With respect to contracts in existence on the date of the enactment of this Act, the Secretary of Defense shall take such action as is necessary to ensure that such contracts are in compliance with subsection (b) not later than 24 months after such date.

SEC. 822. INCENTIVE PROGRAM FOR MAJOR DEFENSE ACQUISITION PROGRAMS TO USE MACHINE TOOLS AND OTHER CAPITAL ASSETS PRODUCED WITHIN THE UNITED STATES.

(a) IN GENERAL.—(1) Chapter 144 of title 10, United States Code, is amended by inserting after section 2435 the following new section:

"§ 2436. Major defense acquisition programs: incentive program for contractors to purchase capital assets manufactured in United States

"(a) ESTABLISHMENT OF INCENTIVE PROGRAM.—The Secretary of Defense shall plan and establish an incentive program in accordance with this section for contractors to purchase capital assets manufactured in the United States in part with funds available to the Department of Defense.

"(b) DEFENSE INDUSTRIAL CAPABILITIES FUND MAY BE USED.—The Secretary of Defense may use the Defense Industrial Capabilities Fund, established under section 814 of the National Defense Authorization Act for Fiscal Year 2004, for incentive payments under the program established under this section.

"(c) APPLICABILITY TO MAJOR DEFENSE ACQUISITION PROGRAM CONTRACTS.—The incentive program shall apply to contracts for the procurement of a major defense acquisition program.

"(d) CONSIDERATION.—The Secretary of Defense shall provide consideration in source selection in any request for proposals for a major defense acquisition program for offerors with eligible capital assets.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2435 the following new item:

“2436. Major defense acquisition programs: incentive program for contractors to purchase capital assets manufactured in United States.”.

10 USC 2436 note.

(b) REGULATIONS.—(1) The Secretary of Defense shall prescribe regulations as necessary to carry out section 2436 of title 10, United States Code, as added by this section.

(2) The Secretary may prescribe interim regulations as necessary to carry out such section. For this purpose, the Secretary is excepted from compliance with the notice and comment requirements of section 553 of title 5, United States Code. All interim rules prescribed under the authority of this paragraph that are not earlier superseded by final rules shall expire no later than 270 days after the effective date of section 2436 of title 10, United States Code, as added by this section.

10 USC 2436 note.

(c) EFFECTIVE DATE.—Section 2436 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the expiration of the 18-month period beginning on the date of the enactment of this Act.

10 USC 2521 note.

SEC. 823. TECHNICAL ASSISTANCE RELATING TO MACHINE TOOLS.

(a) TECHNICAL ASSISTANCE.—The Secretary of Defense shall publish in the Federal Register information on Government contracting for purposes of assisting machine tool companies in the United States and entities that use machine tools. The information shall contain, at a minimum, the following:

(1) An identification of resources with respect to Government contracting regulations, including compliance procedures and information on the availability of counseling.

(2) An identification of resources for locating opportunities for contracting with the Department of Defense, including information about defense contracts that are expected to be carried out that may require the use of machine tools.

(b) SCIENCE AND TECHNOLOGY INITIATIVES.—The Secretary of Defense shall incorporate into the Department of Defense science and technology initiatives on manufacturing technology an objective of developing advanced machine tool capabilities. Such technologies shall be used to improve the technological capabilities of the United States domestic machine tool industrial base in meeting national security objectives.

10 USC 2505 note.

SEC. 824. STUDY OF BERYLLIUM INDUSTRIAL BASE.

(a) REQUIREMENT FOR STUDY.—The Secretary of Defense shall conduct a study of the adequacy of the industrial base of the United States to meet defense requirements of the United States for beryllium.

Deadline.

(b) REPORT.—Not later than March 31, 2005, the Secretary shall submit a report on the results of the study to Congress. The report shall contain, at a minimum, the following information:

(1) A discussion of the issues identified with respect to the long-term supply of beryllium.

(2) An assessment of the need, if any, for modernization of the primary sources of production of beryllium.

(3) A discussion of the advisability of, and concepts for, meeting the future defense requirements of the United States for beryllium and maintaining a stable domestic industrial base of sources of beryllium through—

(A) cooperative arrangements commonly referred to as public-private partnerships;

(B) the administration of the National Defense Stockpile under the Strategic and Critical Materials Stock Piling Act; and

(C) any other means that the Secretary identifies as feasible.

Part III—Other Domestic Source Requirements

SEC. 826. EXCEPTIONS TO BERRY AMENDMENT FOR CONTINGENCY OPERATIONS AND OTHER URGENT SITUATIONS.

Section 2533a(d) of title 10, United States Code, is amended—

(1) by striking "OUTSIDE THE UNITED STATES" in the subsection heading;

(2) in paragraph (1), by inserting "or procurements of any item listed in subsection (b)(1)(A), (b)(2), or (b)(3) in support of contingency operations" after "in support of combat operations"; and

(3) by adding at the end the following new paragraph:

"(4) Procurements of any item listed in subsection (b)(1)(A), (b)(2), or (b)(3) for which the use of procedures other than competitive procedures has been approved on the basis of section 2304(c)(2) of this title, relating to unusual and compelling urgency of need.".

SEC. 827. INAPPLICABILITY OF BERRY AMENDMENT TO PROCUREMENTS OF WASTE AND BYPRODUCTS OF COTTON AND WOOL FIBER FOR USE IN THE PRODUCTION OF PROPELLANTS AND EXPLOSIVES.

Section 2533a(f) of title 10, United States Code, is amended—

(1) by striking "(f) EXCEPTION" and all that follows through "the procurement of" and inserting the following:

"(f) EXCEPTIONS FOR CERTAIN OTHER COMMODITIES AND ITEMS.—Subsection (a) does not preclude the procurement of the following:

"(1)";

(2) by capitalizing the initial letter of the word following "(1)", as added by paragraph (1); and

(3) by adding at the end the following new paragraph:

"(2) Waste and byproducts of cotton and wool fiber for use in the production of propellants and explosives.".

SEC. 828. BUY AMERICAN EXCEPTION FOR BALL BEARINGS AND ROLLER BEARINGS USED IN FOREIGN PRODUCTS.

Section 2534(a)(5) of title 10, United States Code, is amended by inserting before the period at the end the following: ", except ball bearings and roller bearings being procured for use in an end product manufactured by a manufacturer that does not satisfy the requirements of subsection (b) or in a component part manufactured by such a manufacturer".

Subtitle C—Defense Acquisition and Support Workforce Flexibility

SEC. 831. MANAGEMENT STRUCTURE.

(a) Repeal of Requirements for Certain Career Management Directors, Boards, and Policies.—Sections 1703, 1705, 1706, and 1707 of title 10, United States Code, are repealed.

(b) Conforming Amendments.—Chapter 87 of such title is amended—

(1) in section 1724(d)—

(A) in the first sentence, by striking "The acquisition career program board concerned" and all that follows through "if the board certifies" and inserting "The Secretary of Defense may waive any or all of the requirements of subsections (a) and (b) with respect to an employee of the Department of Defense or member of the armed forces if the Secretary determines";

(B) in the second sentence, by striking "the board" and inserting "the Secretary"; and

(C) by striking the third sentence;

(2) in section 1732(b)—

(A) in paragraph (1)(C), by striking ", as validated by the appropriate career program management board"; and

(B) in paragraph (2)(A)(ii), by striking "has been certified by the acquisition career program board of the employing military department as possessing" and inserting "possess";

(3) in section 1732(d)—

(A) in paragraph (1)—

(i) in the first sentence, by striking "the acquisition career program board of a military department" and all that follows through "if the board certifies" and inserting "the Secretary of Defense may waive any or all of the requirements of subsection (b) with respect to an employee if the Secretary determines";

(ii) in the second sentence, by striking "the board" and inserting "the Secretary"; and

(iii) by striking the third sentence; and

(B) in paragraph (2), by striking "The acquisition career program board of a military department" and inserting "The Secretary";

(4) in section 1734—

(A) in subsection (d)—

(i) by striking paragraph (2); and

(ii) by redesignating paragraph (3) as paragraph (2), and in that paragraph by striking the second sentence; and

(B) in subsection (e)(2), by striking ", by the acquisition career program board of the department concerned,"; and

(5) in section 1737(c)—

(A) by striking paragraph (2); and

(B) by striking "(1) The Secretary" and inserting "The Secretary".

SEC. 832. ELIMINATION OF ROLE OF OFFICE OF PERSONNEL MANAGEMENT.

(a) Workforce Qualification Requirements and Examinations.—Section 1725 of such title is repealed.

(b) Acquisition Corps Requirements.—Subchapter III of chapter 87 of title 10, United States Code, is amended—

(1) in section 1731, by striking subsection (c);

(2) in section 1732(c)(2), by striking the second and third sentences;

(3) in section 1734(g)—

(A) by striking paragraph (2); and

(B) in paragraph (1), by striking "(1) The Secretary" and inserting "The Secretary"; and

(4) in section 1737, by striking subsection (d).

(c) Appointment of Scholarship Recipient in Competitive Service.—Section 1744(c)(3)(A)(i) of such title is amended by striking "and such other requirements as the Office of Personnel Management may prescribe".

SEC. 833. SINGLE ACQUISITION CORPS.

Subchapter III of chapter 87 of title 10, United States Code, as amended by section 832, is further amended—

(1) in section 1731—

(A) in subsection (a)—

(i) by striking "each of the military departments and one or more Corps, as he considers appropriate, for the other components of" in the first sentence; and

(ii) by striking the second sentence; and

(B) in subsection (b), by striking "an Acquisition Corps" and inserting "the Acquisition Corps";

(2) in sections 1732(a), 1732(e)(1), 1732(e)(2), 1733(a), 1734(e)(1), and 1737(a)(1), by striking "an Acquisition Corps" and inserting "the Acquisition Corps"; and

(3) in section 1734—

(A) in subsection (g), by striking "each Acquisition Corps, a test program in which members of a Corps" and inserting "the Acquisition Corps, a test program in which members of the Corps"; and

(B) in subsection (h), by striking "making assignments of civilian and military members of the Acquisition Corps of that military department" and inserting "making assignments of civilian and military personnel of that military department who are members of the Acquisition Corps".

SEC. 834. CONSOLIDATION OF CERTAIN EDUCATION AND TRAINING PROGRAM REQUIREMENTS.

(a) Consolidation of Authority.—Section 1742 of such title is amended to read as follows:

"§ 1742. Internship, cooperative education, and scholarship programs

"The Secretary of Defense shall conduct the following education and training programs:

"(1) An intern program for purposes of providing highly qualified and talented individuals an opportunity for accelerated promotions, career broadening assignments, and specified training to prepare them for entry into the Acquisition Corps.

"(2) A cooperative education credit program under which the Secretary arranges, through cooperative arrangements entered into with one or more accredited institutions of higher education, for such institutions to grant undergraduate credit for work performed by students who are employed by the Department of Defense in acquisition positions.

"(3) A scholarship program for the purpose of qualifying personnel for acquisition positions in the Department of Defense.".

(b) CONFORMING AMENDMENTS.—Sections 1743 and 1744 of such title are repealed.

SEC. 835. GENERAL MANAGEMENT PROVISIONS.

Subchapter V of chapter 87 of title 10, United States Code, is amended—

(1) by striking section 1763; and

(2) by adding at the end the following new section 1764:

"§ 1764. Authority to establish different minimum requirements

"(a) AUTHORITY.—(1) The Secretary of Defense may prescribe a different minimum number of years of experience, different minimum education qualifications, and different tenure of service qualifications to be required for eligibility for appointment or advancement to an acquisition position referred to in subsection (b) than is required for such position under or pursuant to any provision of this chapter.

"(2) Any requirement prescribed under paragraph (1) for a position referred to in any paragraph of subsection (b) shall be applied uniformly to all positions referred to in such paragraph.

"(b) APPLICABILITY.—This section applies to the following acquisition positions in the Department of Defense:

"(1) Contracting officer, except a position referred to in paragraph (5).

"(2) Program executive officer.

"(3) Senior contracting official.

"(4) Program manager.

"(5) A position in the contract contingency force of an armed force that is filled by a member of that armed force.

"(c) DEFINITION.—In this section, the term 'contract contingency force', with respect to an armed force, has the meaning given such term in regulations prescribed by the Secretary concerned.".

SEC. 836. CLERICAL AMENDMENTS.

The tables of sections for chapter 87 of title 10, United States Code, are amended as follows:

(1) The table of sections at the beginning of subchapter I is amended by striking the items relating to sections 1703, 1705, 1706, and 1707.

(2) The table of sections at the beginning of subchapter II is amended by striking the item relating to section 1725.

(3) The table of sections at the beginning of subchapter IV is amended by striking the items relating to sections 1742, 1743, and 1744 and inserting the following:

"1742. Internship, cooperative education, and scholarship programs.".

(4) The table of sections at the beginning of subchapter V is amended by striking the item relating to section 1763 and inserting the following:

"1764. Authority to establish different minimum requirements.".

Subtitle D—Amendments to General Contracting Authorities, Procedures, and Limitations

SEC. 841. ADDITIONAL AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS.

(a) ADDITIONAL AUTHORITY.—Section 129b of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) ADDITIONAL AUTHORITY FOR PERSONAL SERVICES CONTRACTS.—(1) In addition to the authority provided under subsection (a), the Secretary of Defense may enter into personal services contracts if the personal services—

"(A) are to be provided by individuals outside the United States, regardless of their nationality, and are determined by the Secretary to be necessary and appropriate for supporting the activities and programs of the Department of Defense outside the United States;

"(B) directly support the mission of a defense intelligence component or counter-intelligence organization of the Department of Defense; or

"(C) directly support the mission of the special operations command of the Department of Defense.

"(2) The contracting officer for a personal services contract under this subsection shall be responsible for ensuring that—

"(A) the services to be procured are urgent or unique; and

"(B) it would not be practicable for the Department to obtain such services by other means.

"(3) The requirements of section 3109 of title 5 shall not apply to a contract entered into under this subsection.".

(b) CONFORMING AMENDMENTS.—(1) The heading for section 129b of such title is amended to read as follows:

"§ 129b. Authority to procure personal services".

(2) The item relating to section 129b in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

"129b. Authority to procure personal services.".

SEC. 842. ELIMINATION OF CERTAIN SUBCONTRACT NOTIFICATION REQUIREMENTS.

Subsection (e) of section 2306 of title 10, United States Code, is amended—

(1) by striking "(A)" and "(B)" and inserting "(i)" and "(ii)", respectively;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) by striking "Each" and inserting "(1) Except as provided in paragraph (2), each"; and

(4) by adding at the end the following new paragraph:

"(2) Paragraph (1) shall not apply to a prime contract with a contractor that maintains a purchasing system approved by the contracting officer for the contract.".

SEC. 843. MULTIYEAR TASK AND DELIVERY ORDER CONTRACTS.

(a) REPEAL OF APPLICABILITY OF EXISTING AUTHORITY AND LIMITATIONS.—Section 2306c of title 10, United States Code, is amended by striking subsection (g).

(b) CONTRACT PERIOD.—Section 2304a of such title is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

"(f) CONTRACT PERIOD.—The head of an agency entering into a task or delivery order contract under this section may provide for the contract to cover a total period of not more than five years.".

SEC. 844. ELIMINATION OF REQUIREMENT TO FURNISH WRITTEN ASSURANCES OF TECHNICAL DATA CONFORMITY.

Section 2320(b) of title 10, United States Code, is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

SEC. 845. ACCESS TO INFORMATION RELEVANT TO ITEMS DEPLOYED UNDER RAPID ACQUISITION AND DEPLOYMENT PROCEDURES.

Section 806(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2607; 10 U.S.C. 2302 note) is amended by adding at the end the following new paragraph:

"(3) If items are deployed under the rapid acquisition and deployment procedures prescribed pursuant to this section, or under any other authority, before the completion of operational test and evaluation of the items, the Director of Operational Test and Evaluation shall have access to operational records and data relevant to such items in accordance with section 139(e)(3) of title 10, United States Code, for the purpose of completing operational test and evaluation of the items. The access to the operational records and data shall be provided in a time and manner determined by the Secretary of Defense consistent with requirements of operational security and other relevant operational requirements.".

SEC. 846. APPLICABILITY OF REQUIREMENT FOR REPORTS ON MATURITY OF TECHNOLOGY AT INITIATION OF MAJOR DEFENSE ACQUISITION PROGRAMS.

Section 804(a) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1180) is amended by striking ", as in effect on the date of enactment of this Act," and inserting "(as in effect on the date of the enactment of this Act), and the corresponding provision of any successor to such Instruction,".

SEC. 847. CERTAIN WEAPONS-RELATED PROTOTYPE PROJECTS.

(a) EXTENSION OF AUTHORITY.—Subsection (g) of section 845 of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended by striking "September 30, 2004" and inserting "September 30, 2008".

(b) INCREASED SCOPE OF AUTHORITY.—Subsection (a) of such section is amended by inserting before the period at the end the following: ", or to improvement of weapons or weapon systems in use by the Armed Forces".

(c) PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS.—Such section, as amended by subsection (a), is further amended—

(1) by redesignating subsections (e), (f), and (g) as subsections (f), (g), and (h), respectively; and

(2) by inserting after subsection (d) the following new subsection (e):

"(e) PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS.—(1) The Secretary of Defense is authorized to carry out a pilot program for follow-on contracting for the production of items or processes under prototype projects carried out under this section.

"(2) Under the pilot program—

"(A) a qualifying contract for the procurement of such an item or process, or a qualifying subcontract under a contract for the procurement of such an item or process, may be treated as a contract or subcontract, respectively, for the procurement of commercial items, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

"(B) the item or process may be treated as an item or process, respectively, that is developed in part with Federal funds and in part at private expense for the purposes of section 2320 of title 10, United States Code.

"(3) For the purposes of the pilot program, a qualifying contract or subcontract is a contract or subcontract, respectively, with a nontraditional defense contractor that—

"(A) does not exceed $50,000,000; and

"(B) is either—

"(i) a firm, fixed-price contract or subcontract; or

"(ii) a fixed-price contract or subcontract with economic price adjustment.

"(4) The authority to conduct a pilot program under this subsection shall terminate on September 30, 2008. The termination of the authority shall not affect the validity of contracts or subcontracts that are awarded or modified during the period of the pilot program, without regard to whether the contracts or subcontracts are performed during the period.".

SEC. 848. LIMITED ACQUISITION AUTHORITY FOR COMMANDER OF UNITED STATES JOINT FORCES COMMAND.

(a) THREE-YEAR AUTHORITY TO DELEGATE ACQUISITION AUTHORITY.—(1) Chapter 6 of title 10, United States Code, is amended by inserting after section 167 the following new section:

"§ 167a. Unified combatant command for joint warfighting experimentation: acquisition authority

"(a) LIMITED ACQUISITION AUTHORITY FOR COMMANDER OF CERTAIN UNIFIED COMBATANT COMMAND.—The Secretary of Defense may delegate to the commander of the unified combatant command referred to in subsection (b) authority of the Secretary under chapter 137 of this title sufficient to enable the commander to develop and acquire equipment described in subsection (c). The exercise of authority so delegated is subject to the authority, direction, and control of the Secretary.

"(b) COMMAND DESCRIBED.—The commander to whom authority is delegated under subsection (a) is the commander of the unified combatant command that has the mission for joint warfighting experimentation, as assigned by the Secretary of Defense.

"(c) EQUIPMENT.—The equipment referred to in subsection (a) is as follows:

"(1) Equipment for battle management command, control, communications, and intelligence.

"(2) Any other equipment that the commander referred to in subsection (b) determines necessary and appropriate for—

"(A) facilitating the use of joint forces in military operations; or

"(B) enhancing the interoperability of equipment used by the various components of joint forces.

"(d) EXCEPTIONS.—The authority delegated under subsection (a) does not apply to the development or acquisition of a system for which—

"(1) the total expenditure for research, development, test, and evaluation is estimated to be $10,000,000 or more; or

"(2) the total expenditure for procurement is estimated to be $50,000,000 or more.

"(e) INTERNAL AUDITS AND INSPECTIONS.—The commander referred to in subsection (b) shall require the inspector general of that command to conduct internal audits and inspections of purchasing and contracting administered by the commander under the authority delegated under subsection (a).

"(f) TERMINATION.—The Secretary may delegate the authority referred to in subsection (a) only during fiscal years 2004 through 2006, and any authority so delegated shall not be in effect after September 30, 2006.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 167 the following new item:

"167a. Unified combatant command for joint warfighting experimentation: acquisition authority.".

10 USC 167a note.

(b) COMPTROLLER GENERAL REPORT.—The Comptroller General shall review the implementation of section 167a of title 10, United States Code, as added by subsection (a), and submit to Congress a report on such review not later than two years after the date of the enactment of this Act. The review shall cover the extent to which the authority provided under such section 167a has been used.

Subtitle E—Acquisition-Related Reports and Other Matters

SEC. 851. REPORT ON CONTRACT PAYMENTS TO SMALL BUSINESSES.

(a) REPORT.—The Comptroller General shall prepare and submit to the congressional defense committees a report on the timeliness of contract payments made to small businesses during fiscal years 2001 and 2002 by the Department of Defense. The report shall include an estimate of the following:

(1) The total amount of contract payments made by the Department to small businesses.

(2) The percentage of total contract payments to small businesses that were not made in a timely manner.

(3) The reasons that contract payments to small businesses were not made in a timely manner.

(4) The amount of interest owed and paid by the Department to small businesses due to contract payments not made in a timely manner.

(5) Such recommendations as the Comptroller General considers appropriate to improve the process for making contract payments to small businesses in a timely manner.

(b) DEFINITIONS.—For purposes of subsection (a)—

(1) a payment is considered not made in a timely manner if it caused interest to accrue under chapter 39 of title 31, United States Code (relating to prompt payment); and

(2) the term "small business" means an entity that qualifies as a small business concern under the Small Business Act.

SEC. 852. CONTRACTING WITH EMPLOYERS OF PERSONS WITH DISABILITIES.

(a) INAPPLICABILITY OF RANDOLPH-SHEPPARD ACT.—The Randolph-Sheppard Act does not apply to any contract described in subsection (b) for so long as the contract is in effect, including for any period for which the contract is extended pursuant to an option provided in the contract.

(b) JAVITS-WAGNER-O'DAY CONTRACTS.—Subsection (a) applies to any contract for the operation of a military mess hall, military troop dining facility, or any similar dining facility operated for the purpose of providing meals to members of the Armed Forces that—

(1) was entered into before the date of the enactment of this Act with a nonprofit agency for the blind or an agency for other severely handicapped in compliance with section 3 of the Javits-Wagner-O'Day Act (41 U.S.C. 48); and

(2) is in effect on such date.

20 USC 107 note.

(c) ENACTMENT OF POPULAR NAME AS SHORT TITLE.—The Act entitled "An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes", approved June 20, 1936 (commonly known as the "Randolph-Sheppard Act") (20 U.S.C. 107 et seq.), is amended by adding at the end the following new section:

"SEC. 11. This Act may be cited as the 'Randolph-Sheppard Act'.".

SEC. 853. DEMONSTRATION PROJECT FOR CONTRACTORS EMPLOYING PERSONS WITH DISABILITIES.

10 USC 2302 note.

(a) AUTHORITY.—The Secretary of Defense may carry out a demonstration project by entering into one or more contracts with an eligible contractor for the purpose of providing defense contracting opportunities for severely disabled individuals.

(b) EVALUATION FACTOR.—In evaluating an offer for a contract under the demonstration program, the percentage of the total workforce of the offeror consisting of severely disabled individuals employed by the offeror shall be one of the evaluation factors.

(c) DEFINITIONS.—In this section:

(1) ELIGIBLE CONTRACTOR.—The term "eligible contractor" means a business entity operated on a for-profit or nonprofit basis that—

(A) employs severely disabled individuals at a rate that averages not less than 33 percent of its total workforce over a period prescribed by the Secretary;

(B) pays not less than the minimum wage prescribed pursuant to section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) to the employees who are severely disabled individuals; and

(C) provides for its employees health insurance and a retirement plan comparable to those provided for employees by business entities of similar size in its industrial sector or geographic region.

(2) SEVERELY DISABLED INDIVIDUAL.—The term "severely disabled individual" means an individual with a disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)) who has a severe physical or mental impairment that seriously limits one or more functional capacities.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers and Organizations

Sec. 901. Clarification of responsibility of military departments to support combatant commands.
Sec. 902. Combatant Commander Initiative Fund.
Sec. 903. Biennial review of national military strategy by Chairman of the Joint Chiefs of Staff.
Sec. 904. Report on changing roles of United States Special Operations Command.
Sec. 905. Sense of Congress regarding continuation of mission and functions of Army Peacekeeping Institute.
Sec. 906. Transfer to Office of Personnel Management of personnel investigative functions and related personnel of the Department of Defense.
Sec. 907. Defense acquisition workforce freeze for fiscal year 2004.

Subtitle B—Space Activities

Sec. 911. Coordination of space science and technology activities of the Department of Defense.
Sec. 912. Policy regarding assured access to space for United States national security payloads.
Sec. 913. Pilot program for provision of space surveillance network services to non-United States Government entities.
Sec. 914. Content of biennial global positioning system report.
Sec. 915. Report on processes-related space systems.

Subtitle C—Department of Defense Intelligence Components

Sec. 921. Redesignation of National Imagery and Mapping Agency as National Geospatial-Intelligence Agency.
Sec. 922. Protection of operational files of the National Security Agency.
Sec. 923. Integration of defense intelligence, surveillance, and reconnaissance capabilities.
Sec. 924. Management of National Security Agency Modernization Program.
Sec. 925. Modification of obligated service requirements under National Security Education Program.
Sec. 926. Authority to provide living quarters for certain students in cooperative and summer education programs of the National Security Agency.
Sec. 927. Commercial imagery industrial base.

Subtitle D—Other Matters

Sec. 931. Authority for Asia-Pacific Center for Security Studies to accept gifts and donations.
Sec. 932. Repeal of rotating chairmanship of Economic Adjustment Committee.
Sec. 933. Extension of certain authorities applicable to the Pentagon Reservation to include a designated Pentagon continuity-of-Government location.

Subtitle A—Duties and Functions of Department of Defense Officers and Organizations

SEC. 901. CLARIFICATION OF RESPONSIBILITY OF MILITARY DEPARTMENTS TO SUPPORT COMBATANT COMMANDS.

Sections 3013(c)(4), 5013(c)(4), and 8013(c)(4) of title 10, United States Code, are amended by striking "(to the maximum extent practicable)".

SEC. 902. COMBATANT COMMANDER INITIATIVE FUND.

10 USC 166a note.

(a) REDESIGNATION OF CINC INITIATIVE FUND.—(1) The CINC Initiative Fund administered under section 166a of title 10, United States Code, is redesignated as the "Combatant Commander Initiative Fund".

(2) Section 166a of title 10, United States Code, is amended—

(A) by striking the heading for subsection (a) and inserting "COMBATANT COMMANDER INITIATIVE FUND.—"; and

(B) by striking "CINC Initiative Fund" in subsections (a), (c), and (d), and inserting "Combatant Commander Initiative Fund".

10 USC 166a note.

(3) Any reference to the CINC Initiative Fund in any other provision of law or in any regulation, document, record, or other paper of the United States shall be considered to be a reference to the Combatant Commander Initiative Fund.

(b) AUTHORIZED ACTIVITIES.—Subsection (b) of section 166a of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(10) Joint warfighting capabilities.".

(c) INCREASED MAXIMUM AMOUNTS AUTHORIZED FOR USE.—Subsection (e)(1) of such section is amended—

(1) in subparagraph (A), by striking "$7,000,000" and inserting "$10,000,000";

(2) in subparagraph (B), by striking "$1,000,000" and inserting "$10,000,000"; and

(3) in subparagraph (C), by striking "$2,000,000" and inserting "$5,000,000".

SEC. 903. BIENNIAL REVIEW OF NATIONAL MILITARY STRATEGY BY CHAIRMAN OF THE JOINT CHIEFS OF STAFF.

(a) BIENNIAL REVIEW.—Section 153 of title 10, United States Code, by adding at the end the following new subsection:

Deadline. Reports.

"(d) BIENNIAL REVIEW OF NATIONAL MILITARY STRATEGY.—(1) Not later then February 15 of each even-numbered year, the Chairman shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of a comprehensive examination of the national military strategy. Each such examination shall be conducted by the Chairman in conjunction with the other members of the Joint Chiefs of Staff and the commanders of the unified and specified commands.

"(2) Each report on the examination of the national military strategy under paragraph (1) shall include the following:

"(A) Delineation of a national military strategy consistent with—

"(i) the most recent National Security Strategy prescribed by the President pursuant to section 108 of the National Security Act of 1947 (50 U.S.C. 404a);

"(ii) the most recent annual report of the Secretary of Defense submitted to the President and Congress pursuant to section 113 of this title; and

"(iii) the most recent Quadrennial Defense Review conducted by the Secretary of Defense pursuant to section 118 of this title.

"(B) A description of the strategic environment and the opportunities and challenges that affect United States national interests and United States national security.

"(C) A description of the regional threats to United States national interests and United States national security.

"(D) A description of the international threats posed by terrorism, weapons of mass destruction, and asymmetric challenges to United States national security.

"(E) Identification of United States national military objectives and the relationship of those objectives to the strategic environment, regional, and international threats.

"(F) Identification of the strategy, underlying concepts, and component elements that contribute to the achievement of United States national military objectives.

"(G) Assessment of the capabilities and adequacy of United States forces (including both active and reserve components) to successfully execute the national military strategy.

"(H) Assessment of the capabilities, adequacy, and interoperability of regional allies of the United States and or other friendly nations to support United States forces in combat operations and other operations for extended periods of time.

"(3)(A) As part of the assessment under this subsection, the Chairman, in conjunction with the other members of the Joint Chiefs of Staff and the commanders of the unified and specified commands, shall undertake an assessment of the nature and magnitude of the strategic and military risks associated with successfully executing the missions called for under the current National Military Strategy.

"(B) In preparing the assessment of risk, the Chairman should make assumptions pertaining to the readiness of United States forces (in both the active and reserve components), the length of conflict and the level of intensity of combat operations, and the levels of support from allies and other friendly nations.

"(4) Before submitting a report under this subsection to the Committees on Armed Services of the Senate and House of Representatives, the Chairman shall provide the report to the Secretary of Defense. The Secretary's assessment and comments thereon (if any) shall be included with the report. If the Chairman's assessment in such report in any year is that the risk associated with executing the missions called for under the National Military Strategy is significant, the Secretary shall include with the report as submitted to those committees the Secretary's plan for mitigating the risk.".

(b) CONFORMING AMENDMENT.—Subsection (b)(1) of such section is amended by striking "each year" and inserting "of each odd-numbered year".

SEC. 904. REPORT ON CHANGING ROLES OF UNITED STATES SPECIAL OPERATIONS COMMAND.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the changing roles of the United States Special Operations Command.

(b) CONTENT OF REPORT.—(1) The report shall specifically discuss in detail the following matters:

(A) The expanded role of the United States Special Operations Command in the global war on terrorism.

(B) The reorganization of that command to function as a supported combatant command for planning and executing operations.

(C) The role of that command as a supporting combatant command.

(2) The report shall also include, in addition to the matters discussed pursuant to paragraph (1), a discussion of the following matters:

(A) The military strategy to employ the United States Special Operations Command to fight the global war on terrorism and how that strategy contributes to the overall national security strategy with regard to the global war on terrorism.

(B) The scope of the authority granted to the commander of that command to act as a supported commander and to prosecute the global war on terrorism.

(C) The operational and legal parameters within which the commander of that command is to exercise command authority in foreign countries when taking action against foreign and United States citizens engaged in terrorist activities.

(D) The decisionmaking procedures for authorizing, planning, and conducting individual missions by that command, including—

(i) the requirement in section 167(d)(2) of title 10, United States Code, that the conduct of a special operations mission under the command of the commander of the United States Special Operations Command be authorized by the President or the Secretary of Defense; and

(ii) procedures for consultation with Congress.

(E) The procedures for the commander of that command to use to coordinate with commanders of other combatant commands, especially geographic commands.

(F) Future organization plans and resource requirements for that command conducting the global counterterrorism mission.

(G) The effect of the changing role of that command on other special operations missions, including foreign internal defense, psychological operations, civil affairs, unconventional warfare, counterdrug activities, and humanitarian activities.

(c) FORMS OF REPORT.—The report shall be submitted in unclassified form and, as necessary, in classified form.

SEC. 905. SENSE OF CONGRESS REGARDING CONTINUATION OF MISSION AND FUNCTIONS OF ARMY PEACEKEEPING INSTITUTE.

It is the sense of Congress that the Secretary of Defense should maintain the functions and missions of the Army Peacekeeping Institute at the Army War College in Carlisle, Pennsylvania, or within a joint entity of the Department of Defense, such as the National Defense University or the Joint Forces Command, to ensure that members of the Armed Forces continue to study the strategic challenges and uses of peacekeeping missions and to prepare the Armed Forces for conducting such missions.

SEC. 906. TRANSFER TO OFFICE OF PERSONNEL MANAGEMENT OF PERSONNEL INVESTIGATIVE FUNCTIONS AND RELATED PERSONNEL OF THE DEPARTMENT OF DEFENSE.

5 USC 1101 note.

(a) TRANSFER OF FUNCTIONS.—(1) Subject to subsection (b), the Secretary of Defense may transfer to the Office of Personnel Management the personnel security investigations functions that, as of the date of the enactment of this Act, are performed by the Defense Security Service of the Department of Defense. Such a transfer may be made only with the concurrence of the Director of the Office of Personnel Management.

(2) The Director of the Office of Personnel Management may accept a transfer of functions under paragraph (1).

(3) Any transfer of a function under this subsection is a transfer of function within the meaning of section 3503 of title 5, United States Code.

(b) LIMITATION.—(1) The Secretary of Defense may not make a transfer of functions under subsection (a) unless the Secretary determines, and certifies in writing to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate, that each of the conditions specified in paragraph (2) has been met. Such a transfer may then be made only after a period of 30 days has elapsed after the date on which the certification is received by those committees.

(2) The conditions referred to in paragraph (1) are the following:

(A) That the Office of Personnel Management is fully capable of carrying out high-priority investigations required by the Secretary of Defense within a timeframe set by the Secretary of Defense.

(B) That the Office of Personnel Management has undertaken necessary and satisfactory steps to ensure that investigations performed on Department of Defense contract personnel will be conducted in an expeditious manner sufficient to ensure that those contract personnel are available to the Department of Defense within a timeframe set by the Secretary of Defense.

(C) That the Department of Defense will retain capabilities in the form of Federal employees to monitor and investigate

Department of Defense and contractor personnel as necessary to perform counterintelligence functions and polygraph activities of the Department.

(D) That the authority to adjudicate background investigations will remain with the Department of Defense and that the transfer of Defense Security Service personnel to the Office of Personnel Management will improve the speed and efficiency of the adjudication process.

(E) That the Department of Defense will retain within the Defense Security Service sufficient personnel and capabilities to improve Department of Defense industrial security programs and practices.

(c) TRANSFER OF PERSONNEL.—(1) If the Director of the Office of Personnel Management accepts a transfer of functions under subsection (a), the Secretary of Defense shall also transfer to the Office of Personnel Management, and the Director shall accept—

(A) the Defense Security Service employees who perform those functions immediately before the transfer of functions; and

(B) the Defense Security Service employees who, as of such time, are first level supervisors of employees transferred under subparagraph (A).

(2) The Secretary may also transfer to the Office of Personnel Management any Defense Security Service employees (including higher level supervisors) who provide support services for the performance of the functions transferred under subsection (a) or for the personnel (including supervisors) transferred under paragraph (1) if the Director—

(A) determines that the transfer of such additional employees and the positions of such employees to the Office of Personnel Management is necessary in the interest of effective performance of the transferred functions; and

(B) accepts the transfer of the additional employees.

(3) In the case of an employee transferred to the Office of Personnel Management under paragraph (1) or (2), whether a full-time or part-time employee—

(A) subsections (b) and (c) of section 5362 of title 5, United States Code, relating to grade retention, shall apply to the employee, except that—

(i) the grade retention period shall be the one-year period beginning on the date of the transfer; and

(ii) paragraphs (1), (2), and (3) of such subsection (c) shall not apply to the employee; and

(B) the employee may not be separated, other than pursuant to chapter 75 of title 5, United States Code, during such one-year period.

Deadline.

(d) ACTIONS AFTER TRANSFER.—(1) Not later than one year after a transfer of functions to the Office of Personnel Management under subsection (a), the Director of the Office of Personnel Management, in coordination with the Secretary of Defense, shall review all functions performed by personnel of the Defense Security Service at the time of the transfer and make a written determination regarding whether each such function is inherently governmental or is otherwise inappropriate for performance by contractor personnel.

(2) A function performed by Defense Security Service employees as of the date of the enactment of this Act may not be converted

to contractor performance by the Director of the Office of Personnel Management until—

(A) the Director reviews the function in accordance with the requirements of paragraph (1) and makes a written determination that the function is not inherently governmental and is not otherwise inappropriate for contractor performance; and

(B) the Director conducts a public-private competition regarding the performance of that function in accordance with the requirements of the Office of Management and Budget Circular A–76.

SEC. 907. DEFENSE ACQUISITION WORKFORCE FREEZE FOR FISCAL YEAR 2004.

(a) DEFENSE ACQUISITION WORKFORCE FREEZE.—During fiscal year 2004, the number of defense acquisition and support personnel may not at any time be greater than one percent above, or less than one percent below, the baseline number, and any variation from the baseline number (within such one percent variance) shall be only to exercise normal hiring and firing flexibility during the fiscal year.

(b) BASELINE NUMBER.—For purposes of subsection (a), the baseline number is the number of defense acquisition and support personnel as of October 1, 2003.

(c) USE OF FULL-TIME EQUIVALENT POSITIONS.—All determinations of personnel strengths for purposes of this section shall be on the basis of full-time equivalent positions.

(d) WAIVER AUTHORITY.—The Secretary of Defense may waive the limitation in subsection (a) upon a determination that such waiver is necessary to protect a significant national security interest of the United States. If the Secretary makes such a determination, the Secretary shall, within 30 days after making the determination, notify the Committees on Armed Services of the Senate and House of Representatives of the determination and the reasons for the determination.

(e) DEFINITION.—In this section, the term "defense acquisition and support personnel" means members of the Armed Forces and civilian personnel (other than civilian personnel who are employed at a maintenance depot) who are assigned to, or employed in, acquisition organizations of the Department of Defense (as specified in Department of Defense Instruction numbered 5000.58, dated January 14, 1992), and any other organization that, as determined by the Secretary, has acquisition as its predominant mission.

Subtitle B—Space Activities

SEC. 911. COORDINATION OF SPACE SCIENCE AND TECHNOLOGY ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—(1) Chapter 135 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2272. Space science and technology strategy: coordination

"(a) SPACE SCIENCE AND TECHNOLOGY STRATEGY.—(1) The Secretary of Defense shall develop and implement a space science and technology strategy and shall review and, as appropriate, revise the strategy annually. Functions of the Secretary under this subsection shall be carried out jointly by the Director of Defense Research and Engineering and the official of the Department of

Defense designated as the Department of Defense Executive Agent for Space.

"(2) The strategy under paragraph (1) shall, at a minimum, address the following issues:

"(A) Short-term and long-term goals of the space science and technology programs of the Department of Defense.

"(B) The process for achieving the goals identified under subparagraph (A), including an implementation plan for achieving those goals.

"(C) The process for assessing progress made toward achieving those goals.

"(3) The strategy under paragraph (1) shall be included as part of the annual National Security Space Plan developed pursuant to Department of Defense regulations and shall be provided to Department of Defense components and science and technology entities of the Department of Defense to support the planning, programming, and budgeting processes of the Department.

"(4) The strategy under paragraph (1) shall be developed in consultation with the directors of research laboratories of the Department of Defense, the directors of the other Department of Defense research components, and the heads of other organizations of the Department of Defense as identified by the Director of Defense Research and Engineering and the Department of Defense Executive Agent for Space.

"(5) The strategy shall be available for review by the congressional defense committees.

"(b) REQUIRED COORDINATION.—In carrying out the space science and technology strategy developed under subsection (a), the directors of the research laboratories of the Department of Defense, the directors of the other Department of Defense research components, and the heads of all other appropriate organizations identified jointly by the Director of Defense Research and Engineering and the Department of Defense Executive Agent for Space shall each—

"(1) identify research projects in support of that strategy that contribute directly and uniquely to the development of space technology; and

"(2) inform the Director of Defense Research and Engineering and the Department of Defense Executive Agent for Space of the planned budget and planned schedule for executing those projects.

"(c) DEFINITIONS.—In this section:

"(1) The term 'research laboratory of the Department of Defense' means any of the following:

"(A) The Air Force Research Laboratory.

"(B) The Naval Research Laboratory.

"(C) The Office of Naval Research.

"(D) The Army Research Laboratory.

"(2) The term 'other Department of Defense research component' means either of the following:

"(A) The Defense Advanced Research Projects Agency.

"(B) The National Reconnaissance Office.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2272. Space science and technology strategy: coordination.".

(b) GENERAL ACCOUNTING OFFICE REVIEW.—(1) The Comptroller General shall review and assess the space science and technology strategy developed under subsection (a) of section 2272 of title 10, United States Code, as added by subsection (a), and the effectiveness of the coordination process required under subsection (b) of that section.

(2) Not later than September 1, 2004, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the findings and assessment under paragraph (1).

Deadline.
Reports.

SEC. 912. POLICY REGARDING ASSURED ACCESS TO SPACE FOR UNITED STATES NATIONAL SECURITY PAYLOADS.

(a) IN GENERAL.—(1) Chapter 135 of title 10, United States Code, is amended by adding after section 2272, as added by section 911(a)(1), the following new section:

“§ 2273. Policy regarding assured access to space: national security payloads

“(a) POLICY.—It is the policy of the United States for the President to undertake actions appropriate to ensure, to the maximum extent practicable, that the United States has the capabilities necessary to launch and insert United States national security payloads into space whenever such payloads are needed in space.

“(b) INCLUDED ACTIONS.—The appropriate actions referred to in subsection (a) shall include, at a minimum, providing resources and policy guidance to sustain—

“(1) the availability of at least two space launch vehicles (or families of space launch vehicles) capable of delivering into space any payload designated by the Secretary of Defense or the Director of Central Intelligence as a national security payload; and

“(2) a robust space launch infrastructure and industrial base.

“(c) COORDINATION.—The Secretary of Defense shall, to the maximum extent practicable, pursue the attainment of the capabilities described in subsection (a) in coordination with the Administrator of the National Aeronautics and Space Administration.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2272, as added by section 911(a)(2), the following new item:

“2273. Policy regarding assured access to space: national security payloads.”.

SEC. 913. PILOT PROGRAM FOR PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENT ENTITIES.

(a) IN GENERAL.—Chapter 135 of title 10, United States Code, is amended by adding after section 2273, as added by section 912(a), the following new section:

“§ 2274. Space surveillance network: pilot program for provision of satellite tracking support to entities outside United States Government

“(a) PILOT PROGRAM.—The Secretary of Defense may carry out a pilot program to determine the feasibility and desirability of providing to non-United States Government entities space surveillance data support described in subsection (b).

"(b) SPACE SURVEILLANCE DATA SUPPORT.—Under such a pilot program, the Secretary may provide to a non-United States Government entity, subject to an agreement described in subsection (d), the following:

"(1) Satellite tracking services from assets owned or controlled by the Department of Defense, but only if the Secretary determines, in the case of any such agreement, that providing such services to that entity is in the national security interests of the United States.

"(2) Space surveillance data and the analysis of space surveillance data, but only if the Secretary determines, in the case of any such agreement, that providing such data and analysis to that entity is in the national security interests of the United States.

"(c) ELIGIBLE ENTITIES.—Under the pilot program, the Secretary may provide space surveillance data support to non-United States Government entities including the following:

"(1) State governments.

"(2) Governments of political subdivisions of States.

"(3) United States commercial entities.

"(4) Governments of foreign countries.

"(5) Foreign commercial entities.

"(d) REQUIRED AGREEMENT.—The Secretary may not provide space surveillance data support to a non-United States Government entity under the pilot program unless that entity enters into an agreement with the Secretary under which the entity—

"(1) agrees to pay an amount that may be charged by the Secretary under subsection (e); and

"(2) agrees not to transfer any data or technical information received under the agreement, including the analysis of tracking data, to any other entity without the express approval of the Secretary.

"(e) RULE OF CONSTRUCTION CONCERNING PROVISION OF INTELLIGENCE ASSETS OR DATA.—Nothing in this section shall be considered to authorize the provision of services or information concerning, or derived from, United States intelligence assets or data.

"(f) CHARGES.—(1) As a condition of an agreement under subsection (d), the Secretary may (except as provided in paragraph (2)) require the non-United States Government entity entering into the agreement to pay to the Department of Defense such amounts as the Secretary determines to be necessary to reimburse the Department for the costs of the Department of providing space surveillance data support under the agreement.

"(2) The Secretary may not require the government of a State or of a political subdivision of a State to pay any amount under paragraph (1).

"(g) CREDITING OF FUNDS RECEIVED.—Funds received for the provision of space surveillance data support pursuant to an agreement under this section shall be credited to accounts of the Department of Defense that are current when the funds are received and that are available for the same purposes as the accounts originally charged to provide such support. Funds so credited shall merge with and become available for obligation for the same period as the accounts to which they are credited.

"(h) PROCEDURES.—The Secretary shall establish procedures for the conduct of the pilot program. As part of those procedures, the Secretary may allow space surveillance data and analysis of space surveillance data to be provided through a contractor of the Department of Defense.

"(i) DURATION OF PILOT PROGRAM.—The pilot program under this section shall be conducted during the three-year period beginning on a date specified by the Secretary of Defense, which date shall be not later than 180 days after the date of the enactment of this section.". Deadline.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2273, as added by section 912(b), the following new item:

"2274. Space surveillance network: pilot program for provision of satellite tracking support to entities outside United States Government.".

SEC. 914. CONTENT OF BIENNIAL GLOBAL POSITIONING SYSTEM REPORT.

(a) REVISED CONTENT.—Paragraph (1) of section 2281(d) of title 10, United States Code, is amended—

(1) by striking subparagraph (C);

(2) by redesignating subparagraph (D) as subparagraph (C);

(3) by redesignating subparagraph (E) as subparagraph (D) and in that subparagraph striking "Any progress made toward" and inserting "Progress and challenges in"; and

(4) by striking subparagraph (F) and inserting the following:

"(E) Progress and challenges in protecting GPS from jamming, disruption, and interference.

"(F) Progress and challenges in developing the enhanced Global Positioning System required by section 218(b) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1951; 10 U.S.C. 2281 note).".

(b) CONFORMING AMENDMENT.—Paragraph (2) of such section is amended by inserting "(C)," after "under subparagraphs".

SEC. 915. REPORT ON PROCESSES-RELATED SPACE SYSTEMS.

Deadline. Not later than March 15, 2004, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report to provide the—

(1) the Secretary's assessment of the role of the United States Strategic Command in planning and requirements development for space systems to support the warfighter;

(2) the Secretary's assessment of the processes by which space systems capabilities are integrated into training and doctrine of the Armed Forces; and

(3) the Secretary's recommendations for improvements in the processes identified pursuant to paragraphs (1) and (2).

Subtitle C—Department of Defense Intelligence Components

SEC. 921. REDESIGNATION OF NATIONAL IMAGERY AND MAPPING AGENCY AS NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY.

10 USC 441 note.

(a) REDESIGNATION.—The National Imagery and Mapping Agency of the Department of Defense is hereby redesignated as the National Geospatial-Intelligence Agency.

(b) DEFINITION OF GEOSPATIAL INTELLIGENCE.—Section 467 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5) The term 'geospatial intelligence' means the exploitation and analysis of imagery and geospatial information to describe, assess, and visually depict physical features and geographically referenced activities on the earth. Geospatial intelligence consists of imagery, imagery intelligence, and geospatial information.".

(c) AGENCY MISSIONS.—(1) Section 442(a) of title 10, United States Code, is amended—

(A) in paragraph (1), by inserting "geospatial intelligence consisting of" after "provide"; and

(B) in paragraph (2), by striking "Imagery, intelligence, and information" and inserting "Geospatial intelligence".

(2) Section 110(a) of the National Security Act of 1947 (50 U.S.C. 404e(a)) is amended by striking "imagery" and inserting "geospatial intelligence".

(d) TECHNICAL AND CONFORMING AMENDMENTS TO TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) The heading of chapter 22 is amended to read as follows:

"CHAPTER 22—NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY".

(2) Chapter 22 is amended—

10 USC 441–444, 451–457, 461, 462.

(A) by striking "National Imagery and Mapping Agency" each place it appears (other than in section 461(b)) and inserting "National Geospatial-Intelligence Agency";

(B) in section 453(b), by striking "NIMA" in paragraphs (1) and (2) and inserting "NGA"; and

(C) in section 461(b)—

(i) by striking "The National Imagery and Mapping Agency" and inserting "The Director of the National Geospatial-Intelligence Agency"; and

(ii) by striking "on the day before" and all that follows through the period and inserting "on September 30, 1996.".

(3) Section 193 is amended—

(A) by striking "National Imagery and Mapping Agency" in subsections (d)(1), (d)(2), (e), and (f)(4) and inserting "National Geospatial-Intelligence Agency";

(B) in the heading for subsection (d), by striking "NATIONAL IMAGERY AND MAPPING AGENCY" and inserting "NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY"; and

(C) in the heading for subsection (e), by striking "NIMA" and inserting "NGA".

(4) Section 201 is amended by striking “National Imagery and Mapping Agency” in subsections (b)(2)(C) and (c)(2)(C) and inserting “National Geospatial-Intelligence Agency”.

(5)(A) Section 424 is amended by striking “National Imagery and Mapping Agency” in subsection (b)(3) and inserting “National Geospatial-Intelligence Agency”.

(B)(i) The heading of such section is amended to read as follows:

“§ 424. Disclosure of organizational and personnel information: exemption for specified intelligence agencies”.

(ii) The item relating to that section in the table of sections at the beginning of subchapter I of chapter 21 is amended to read as follows:

“424. Disclosure of organizational and personnel information: exemption for specified intelligence agencies.”.

(6) Section 425(a) is amended by adding at the end the following new paragraph:

“(5) The words ‘National Geospatial-Intelligence Agency’, the initials ‘NGA,’ or the seal of the National Geospatial-Intelligence Agency.”.

(7) Section 1614(2)(C) is amended by striking “National Imagery and Mapping Agency” and inserting “National Geospatial-Intelligence Agency”.

(8) The tables of chapters at the beginning of subtitle A, and at the beginning of part I of subtitle A, are each amended by striking “Imagery and Mapping” in the item relating to chapter 22 and inserting “Geospatial-Intelligence”.

(e) Conforming Amendments to National Security Act of 1947.—The National Security Act of 1947 is amended as follows:

(1) Section 3 (50 U.S.C. 401a) is amended by striking “National Imagery and Mapping Agency” in paragraph (4)(E) and inserting “National Geospatial-Intelligence Agency”.

(2) Section 105 (50 U.S.C. 403–5) is amended by striking “National Imagery and Mapping Agency” in subsections (b)(2) and (d)(3) and inserting “National Geospatial-Intelligence Agency”.

(3) Section 105A (50 U.S.C. 403–5a) is amended by striking “National Imagery and Mapping Agency” in subsection (b)(1)(C) and inserting “National Geospatial-Intelligence Agency”.

(4) Section 105C (50 U.S.C. 403–5c) is amended—

(A) by striking “National Imagery and Mapping Agency” each place it appears and inserting “National Geospatial-Intelligence Agency”;

(B) by striking “NIMA” each place it appears and inserting “NGA”; and

(C) by striking “NIMA’s” in subsection (a)(6)(B)(iv)(II) and inserting “NGA’s”.

(5) Section 106 (50 U.S.C. 403–6) is amended by striking “National Imagery and Mapping Agency” in subsection (a)(2)(C) and inserting “National Geospatial-Intelligence Agency”.

(6) Section 110 (50 U.S.C. 404e) is amended—

(A) by striking “National Imagery and Mapping Agency” in subsections (a), (b), and (c) and inserting “National Geospatial-Intelligence Agency”; and

(B) by striking "NATIONAL IMAGERY AND MAPPING AGENCY" in the section heading and inserting "NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY".

(7) The item relating to section 110 in the table of contents in the first section is amended to read as follows:

"Sec. 110. National mission of National Geospatial-Intelligence Agency.".

(f) CROSS REFERENCE CORRECTION.—Section 442(d) of title 10, United States Code, is amended by striking "section 120(a) of the National Security Act of 1947" and inserting "section 110(a) of the National Security Act of 1947 (50 U.S.C. 404e(a))".

10 USC 441 note. (g) REFERENCES.—Any reference to the National Imagery and Mapping Agency in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the National Geospatial-Intelligence Agency.

SEC. 922. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY.

(a) PROTECTION OF OPERATIONAL FILES OF NSA.—Title VII of the National Security Act of 1947 (50 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY

50 USC 432b. "SEC. 704. (a) EXEMPTION OF CERTAIN OPERATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE.—The Director of the National Security Agency, in coordination with the Director of Central Intelligence, may exempt operational files of the National Security Agency from the provisions of section 552 of title 5, United States Code, which require publication, disclosure, search, or review in connection therewith.

"(b) OPERATIONAL FILES DEFINED.—(1) In this section, the term 'operational files' means—

"(A) files of the Signals Intelligence Directorate of the National Security Agency (and any successor organization of that directorate) that document the means by which foreign intelligence or counterintelligence is collected through technical systems; and

"(B) files of the Research Associate Directorate of the National Security Agency (and any successor organization of that directorate) that document the means by which foreign intelligence or counterintelligence is collected through scientific and technical systems.

"(2) Files that are the sole repository of disseminated intelligence, and files that have been accessioned into the National Security Agency Archives (or any successor organization) are not operational files.

"(c) SEARCH AND REVIEW FOR INFORMATION.—Notwithstanding subsection (a), exempted operational files shall continue to be subject to search and review for information concerning any of the following:

"(1) United States citizens or aliens lawfully admitted for permanent residence who have requested information on themselves pursuant to the provisions of section 552 or 552a of title 5, United States Code.

"(2) Any special activity the existence of which is not exempt from disclosure under the provisions of section 552 of title 5, United States Code.

"(3) The specific subject matter of an investigation by any of the following for any impropriety, or violation of law, Executive order, or Presidential directive, in the conduct of an intelligence activity:

"(A) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

"(B) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

"(C) The Intelligence Oversight Board.

"(D) The Department of Justice.

"(E) The Office of General Counsel of the National Security Agency.

"(F) The Office of the Inspector General of the Department of Defense.

"(G) The Office of the Director of the National Security Agency.

"(d) INFORMATION DERIVED OR DISSEMINATED FROM EXEMPTED OPERATIONAL FILES.—(1) Files that are not exempted under subsection (a) that contain information derived or disseminated from exempted operational files shall be subject to search and review.

"(2) The inclusion of information from exempted operational files in files that are not exempted under subsection (a) shall not affect the exemption under subsection (a) of the originating operational files from search, review, publication, or disclosure.

"(3) The declassification of some of the information contained in exempted operational files shall not affect the status of the operational file as being exempt from search, review, publication, or disclosure.

"(4) Records from exempted operational files that have been disseminated to and referenced in files that are not exempted under subsection (a) and that have been returned to exempted operational files for sole retention shall be subject to search and review.

"(e) SUPERCEDURE OF OTHER LAWS.—The provisions of subsection (a) may not be superseded except by a provision of law that is enacted after the date of the enactment of this section and that specifically cites and repeals or modifies such provisions.

"(f) ALLEGATION; IMPROPER WITHHOLDING OF RECORDS; JUDICIAL REVIEW.—(1) Except as provided in paragraph (2), whenever any person who has requested agency records under section 552 of title 5, United States Code, alleges that the National Security Agency has withheld records improperly because of failure to comply with any provision of this section, judicial review shall be available under the terms set forth in section 552(a)(4)(B) of title 5, United States Code.

"(2) Judicial review shall not be available in the manner provided for under paragraph (1) as follows:

"(A) In any case in which information specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign relations is filed with, or produced for, the court by the National Security Agency, such information shall be examined ex parte, in camera by the court.

"(B) The court shall determine, to the fullest extent practicable, the issues of fact based on sworn written submissions of the parties.

"(C) When a complainant alleges that requested records are improperly withheld because of improper placement solely in exempted operational files, the complainant shall support such allegation with a sworn written submission based upon personal knowledge or otherwise admissible evidence.

"(D)(i) When a complainant alleges that requested records were improperly withheld because of improper exemption of operational files, the National Security Agency shall meet its burden under section 552(a)(4)(B) of title 5, United States Code, by demonstrating to the court by sworn written submission that exempted operational files likely to contain responsible records currently perform the functions set forth in subsection (b).

"(ii) The court may not order the National Security Agency to review the content of any exempted operational file or files in order to make the demonstration required under clause (i), unless the complainant disputes the National Security Agency's showing with a sworn written submission based on personal knowledge or otherwise admissible evidence.

"(E) In proceedings under subparagraphs (C) and (D), the parties may not obtain discovery pursuant to rules 26 through 36 of the Federal Rules of Civil Procedure, except that requests for admissions may be made pursuant to rules 26 and 36.

"(F) If the court finds under this subsection that the National Security Agency has improperly withheld requested records because of failure to comply with any provision of this subsection, the court shall order the Agency to search and review the appropriate exempted operational file or files for the requested records and make such records, or portions thereof, available in accordance with the provisions of section 552 of title 5, United States Code, and such order shall be the exclusive remedy for failure to comply with this section (other than subsection (g)).

"(G) If at any time following the filing of a complaint pursuant to this paragraph the National Security Agency agrees to search the appropriate exempted operational file or files for the requested records, the court shall dismiss the claim based upon such complaint.

"(H) Any information filed with, or produced for the court pursuant to subparagraphs (A) and (D) shall be coordinated with the Director of Central Intelligence before submission to the court.

"(g) DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—(1) Not less than once every 10 years, the Director of the National Security Agency and the Director of Central Intelligence shall review the exemptions in force under subsection (a) to determine whether such exemptions may be removed from a category of exempted files or any portion thereof. The Director of Central Intelligence must approve any determination to remove such exemptions.

"(2) The review required by paragraph (1) shall include consideration of the historical value or other public interest in the subject matter of a particular category of files or portions thereof and the potential for declassifying a significant part of the information contained therein.

"(3) A complainant that alleges that the National Security Agency has improperly withheld records because of failure to comply with this subsection may seek judicial review in the district court of the United States of the district in which any of the parties reside, or in the District of Columbia. In such a proceeding, the court's review shall be limited to determining the following:

"(A) Whether the National Security Agency has conducted the review required by paragraph (1) before the expiration of the 10-year period beginning on the date of the enactment of this section or before the expiration of the 10-year period beginning on the date of the most recent review.

"(B) Whether the National Security Agency, in fact, considered the criteria set forth in paragraph (2) in conducting the required review.".

(b) CONSOLIDATION OF CURRENT PROVISIONS ON PROTECTION OF OPERATIONAL FILES OF CIA.—Title VII of such Act is further amended—

(1) in section 701(b) (50 U.S.C. 431(b)), by striking "For purposes of this title" and inserting "In this section,"; and

(2) in section 702 (50 U.S.C. 432)—

(A) by striking the section heading;

(B) by redesignating the text of that section as subsection (g) of section 701 and redesignating subsections (a), (b), and (c) thereof as paragraphs (1), (2), and (3), respectively;

(C) by inserting "DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—" after the subsection designation (as designated by subparagraph (B));

(D) in paragraph (1) (as redesignated by subparagraph (B)), by striking "of section 701 of this Act";

(E) in paragraph (2) (as redesignated by subparagraph (B)), by striking "of subsection (a) of this section" and inserting "paragraph (1)"; and

(F) in paragraph (3) (as redesignated by subparagraph (B))—

(i) by striking "with this section" in the first sentence and inserting "with this subsection"; and

(ii) by striking "to determining" in the second sentence and all that follows and inserting "to determining the following:

"(A) Whether the Central Intelligence Agency has conducted the review required by paragraph (1) before October 15, 1994, or before the expiration of the 10-year period beginning on the date of the most recent review.

"(B) Whether the Central Intelligence Agency, in fact, considered the criteria set forth in paragraph (2) in conducting the required review.".

(c) CONSOLIDATION OF CURRENT PROVISIONS ON PROTECTION OF OPERATIONAL FILES OF CERTAIN OTHER INTELLIGENCE AGENCIES.—The National Security Act of 1947 (50 U.S.C. 401 et seq.) is further amended—

50 USC 403–5c, 403–5e, 432, 432a.

(1) by transferring section 105C (50 U.S.C. 403–5c), as amended by section 921(e)(4), and section 105D (50 U.S.C. 403–5e) to title VII of that Act and inserting them after section 701, as amended by subsection (b); and

(2) by redesignating those sections, as so transferred, as sections 702 and 703, respectively.

(d) CLERICAL AMENDMENTS.—The National Security Act of 1947 is further amended as follows:

(1)(A) The heading for title VII is amended to read as follows:

“TITLE VII—PROTECTION OF OPERATIONAL FILES”.

50 USC 431.

(B) The heading for section 701 is amended to read as follows:

“OPERATIONAL FILES OF THE CENTRAL INTELLIGENCE AGENCY”.

50 USC 432.

(C) The heading for section 702, as transferred and redesignated by subsection (c), is amended to read as follows:

“OPERATIONAL FILES OF THE NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY”.

50 USC 432a.

(D) The heading for section 703, as transferred and redesignated by subsection (c), is amended by striking the first two words.

(2) The table of contents in the first section of the National Security Act of 1947 is amended—

(A) by striking the items relating to sections 105C and 105D; and

(B) by striking the items relating to title VII and sections 701 and 702 and inserting the following new items:

“Title VII—Protection of Operational Files

“Sec. 701. Operational files of the Central Intelligence Agency.
“Sec. 702. Operational files of the National Geospatial-Intelligence Agency.
“Sec. 703. Operational files of the National Reconnaissance Office.
“Sec. 704. Operational files of the National Security Agency.”.

SEC. 923. INTEGRATION OF DEFENSE INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE CAPABILITIES.

10 USC 426 note.

(a) Findings.—Congress makes the following findings:

(1) As part of transformation efforts within the Department of Defense, each of the Armed Forces is developing intelligence, surveillance, and reconnaissance capabilities that best support future war fighting as envisioned by the leadership of the military department concerned.

(2) Concurrently, intelligence agencies of the Department of Defense outside the military departments are developing transformation roadmaps to best support the future decisionmaking and war fighting needs of their principal customers, but are not always closely coordinating those efforts with the intelligence, surveillance, and reconnaissance development efforts of the military departments.

(3) A senior official of each military department has been designated as the integrator of intelligence, surveillance, and reconnaissance for each of the Armed Forces in such military department, but there is not currently a well-defined forum through which the integrators of intelligence, surveillance, and reconnaissance capabilities for each of the Armed Forces can routinely interact with each other and with senior representatives of Department of Defense intelligence agencies, as well as with other members of the intelligence community, to ensure unity of effort and to preclude unnecessary duplication of effort.

(4) The current funding structure of a National Foreign Intelligence Program (NFIP), Joint Military Intelligence Program (JMIP), and Tactical Intelligence and Related Activities Program (TIARA) may not be the best approach for supporting the development of an intelligence, surveillance, and reconnaissance structure that is integrated to meet the national security requirements of the United States in the 21st century.

(5) The position of Under Secretary of Defense for Intelligence was established in 2002 by Public Law 107–314 in order to facilitate resolution of the challenges to achieving an integrated intelligence, surveillance, and reconnaissance structure in the Department of Defense to meet such 21st century requirements.

(b) GOAL.—It shall be a goal of the Department of Defense to fully integrate the intelligence, surveillance, and reconnaissance capabilities and coordinate the developmental activities of the military departments, intelligence agencies of the Department of Defense, and relevant combatant commands as those departments, agencies, and commands transform their intelligence, surveillance, and reconnaissance systems to meet current and future needs. 10 USC 426 note.

(c) ISR INTEGRATION REQUIREMENTS.—(1) Subchapter I of chapter 21 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 426. Integration of Department of Defense intelligence, surveillance, and reconnaissance capabilities

“(a) ISR INTEGRATION COUNCIL.—(1) The Under Secretary of Defense for Intelligence shall establish an Intelligence, Surveillance, and Reconnaissance Integration Council—

“(A) to assist the Under Secretary with respect to matters relating to the integration of intelligence, surveillance, and reconnaissance capabilities, and coordination of related developmental activities, of the military departments, intelligence agencies of the Department of Defense, and relevant combatant commands; and

“(B) otherwise to provide a means to facilitate the integration of such capabilities and the coordiation of such developmental activities.

“(2) The Council shall be composed of—

“(A) the senior intelligence officers of the armed forces and the United States Special Operations Command;

“(B) the Director of Operations of the Joint Staff; and

“(C) the directors of the intelligence agencies of the Department of Defense.

“(3) The Under Secretary of Defense for Intelligence shall invite the participation of the Director of Central Intelligence (or that Director’s representative) in the proceedings of the Council.

“(b) ISR INTEGRATION ROADMAP.—(1) The Under Secretary of Defense for Intelligence shall develop a comprehensive plan, to be known as the ‘Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap’, to guide the development and integration of the Department of Defense intelligence, surveillance, and reconnaissance capabilities for the 15-year period of fiscal years 2004 through 2018.

"(2) The Under Secretary shall develop the Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap in consultation with the Intelligence, Surveillance, and Reconnaissance Integration Council and the Director of Central Intelligence.".

(2) The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

"426. Integration of Department of Defense intelligence, surveillance, and reconnaissance capabilities.".

Deadline.

(d) REPORT.—(1) Not later than September 30, 2004, the Under Secretary of Defense for Intelligence shall submit to the committees of Congress specified in paragraph (2) a report on the Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap developed under subsection (b) of section 426 of title 10, United States Code, as added by subsection (c). The report shall include the following matters:

(A) The fundamental goals established in the roadmap.

(B) An overview of the intelligence, surveillance, and reconnaissance integration activities of the military departments and the intelligence agencies of the Department of Defense.

(C) An investment strategy for achieving—

(i) an integration of Department of Defense intelligence, surveillance, and reconnaissance capabilities that ensures sustainment of needed tactical and operational efforts; and

(ii) efficient investment in new intelligence, surveillance, and reconnaissance capabilities.

(D) A discussion of how intelligence gathered and analyzed by the Department of Defense can enhance the role of the Department of Defense in fulfilling its homeland security responsibilities.

(E) A discussion of how counterintelligence activities of the Armed Forces and the Department of Defense intelligence agencies can be better integrated.

(F) Recommendations on how annual funding authorizations and appropriations can be optimally structured to best support the development of a fully integrated Department of Defense intelligence, surveillance, and reconnaissance architecture.

(2) The committees of Congress referred to in paragraph (1) are as follows:

(A) The Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

(B) The Committee on Armed Services, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives.

10 USC 2430 note.

SEC. 924. MANAGEMENT OF NATIONAL SECURITY AGENCY MODERNIZATION PROGRAM.

(a) MANAGEMENT OF ACQUISITION PROGRAMS THROUGH USD (AT&L).—The Secretary of Defense shall direct that, effective as of the date of the enactment of this Act, acquisitions under the National Security Agency Modernization Program shall be directed and managed by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(b) APPLICABILITY OF MAJOR DEFENSE ACQUISITION PROGRAM AUTHORITIES.—(1) Each project designated as a major defense acquisition program under paragraph (2) shall be managed under the laws, policies, and procedures that are applicable to major defense acquisition programs (as defined in section 2430 of title 10, United States Code).

(2) The Secretary of Defense (acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics) shall designate those projects under the National Security Agency Modernization Program that are to be managed as major defense acquisition programs.

(c) MILESTONE DECISION AUTHORITY.—(1) The authority to make a decision that a program is authorized to proceed from one milestone stage into another (referred to as the milestone decision authority) may only be exercised by the Under Secretary of Defense for Acquisition, Technology, and Logistics for the following:

(A) Each project of the National Security Agency Modernization Program that is to be managed as a major defense acquisition program, as designated under subsection (b).

(B) Each major system under the National Security Agency Modernization Program.

Termination date.

(2) The limitation in paragraph (1) shall terminate on, and the Under Secretary may delegate the milestone decision authority referred to in paragraph (1) to the Director of the National Security Agency at any time after, the date that is the later of—

(A) September 30, 2005, or

(B) the date on which the Under Secretary submits to the appropriate committees of Congress a notification described in paragraph (3).

(3) A notification described in this paragraph is a notification by the Under Secretary of the Under Secretary's intention to delegate the milestone decision authority referred to in paragraph (1) to the Director of the National Security Agency, together with a detailed discussion of the justification for that delegation. Such a notification may not be submitted until—

(A) the Under Secretary has determined (after consultation with the Under Secretary of Defense for Intelligence and the Deputy Director of Central Intelligence for Community Management) that the Director has implemented acquisition management policies, procedures, and practices that are sufficient to ensure that acquisitions by the National Security Agency are conducted in a manner consistent with sound, efficient acquisition practices;

(B) the Under Secretary has consulted with the Under Secretary of Defense for Intelligence and the Deputy Director of Central Intelligence for Community Management on the delegation of such milestone decision authority to the Director; and

(C) the Secretary of Defense has approved the delegation of such milestone decision authority to the Director.

(d) PROJECTS COMPRISING PROGRAM.—The National Security Agency Modernization Program consists of the following projects of the National Security Agency:

(1) The Trailblazer project.

(2) The Groundbreaker project.

(3) Each cryptological mission management project.

(4) Each other project of that Agency that—

(A) meets either of the dollar thresholds in effect under paragraph (2) of section 2430(a) of title 10, United States Code; and

(B) is determined by the Under Secretary of Defense for Acquisition, Technology, and Logistics as being a major project that is within, or properly should be within, the National Security Agency Modernization Project.

(e) DEFINITIONS.—In this section:

(1) MAJOR SYSTEM.—The term "major system" has the meaning given that term in section 2302(5) of title 10, United States Code.

(2) APPROPRIATE COMMITTEES OF CONGRESS.—The term "appropriate committees of Congress" means the following:

(A) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(B) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 925. MODIFICATION OF OBLIGATED SERVICE REQUIREMENTS UNDER NATIONAL SECURITY EDUCATION PROGRAM.

(a) IN GENERAL.—Section 802(b)(2) of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902(b)(2)) is amended by striking subparagraphs (A) and (B) and inserting the following new subparagraphs (A) and (B):

"(A) in the case of a recipient of a scholarship, after the recipient's completion of the study for which scholarship assistance was provided under the program, work in a position in the Department of Defense or other element of the intelligence community that is certified by the Secretary as appropriate to utilize the unique language and region expertise acquired by the recipient pursuant to such study for a period specified by the Secretary, which period shall include one year of service for each year, or portion thereof, for which such scholarship assistance was provided; or

"(B) in the case of a recipient of a fellowship, after the recipient's completion of the study for which the fellowship assistance was provided under the program, work in a position described in subparagraph (A) that is certified by the Secretary as appropriate to utilize the unique language and region expertise acquired by the recipient pursuant to such study for a period specified by the Secretary, which period shall (at the discretion of the Secretary) include not less than one nor more than three years for each year, or portion thereof, for which such fellowship assistance was provided; and".

50 USC 1902 note.

(b) APPLICABILITY.—(1) The amendment made by subsection (a) shall apply with respect to service agreements entered into under the David L. Boren National Security Education Act of 1991 on or after the date of the enactment of this Act.

(2) The amendment made by subsection (a) shall not affect the force, validity, or terms of any service agreement entered into under the David L. Boren National Security Education Act of 1991 before the date of the enactment of this Act that is in force as of that date.

SEC. 926. AUTHORITY TO PROVIDE LIVING QUARTERS FOR CERTAIN STUDENTS IN COOPERATIVE AND SUMMER EDUCATION PROGRAMS OF THE NATIONAL SECURITY AGENCY.

Section 2195 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d)(1) The Director of the National Security Agency may provide a qualifying employee of a defense laboratory of that Agency with living quarters at no charge, or at a rate or charge prescribed by the Director by regulation, without regard to section 5911(c) of title 5.

"(2) In this subsection, the term 'qualifying employee' means a student who is employed at the National Security Agency under—

"(A) a Student Educational Employment Program of the Agency conducted under this section or any other provision of law; or

"(B) a similar cooperative or summer education program of the Agency that meets the criteria for Federal cooperative or summer education programs prescribed by the Office of Personnel Management.".

SEC. 927. COMMERCIAL IMAGERY INDUSTRIAL BASE.

(a) REQUIREMENT.—Of the total amount authorized to be appropriated for fiscal year 2004 for the acquisition, processing, and licensing of imagery from commercial sources (including amounts authorized to be appropriated under that title for experimentation related to such imagery), not less than 90 percent shall be used for the following purposes:

(1) Acquisition of space-based imagery from commercial sources.

(2) Support for the development of next-generation commercial imagery satellites.

(3) Support for infrastructure improvements that meet unique requirements related to commercial imagery.

(b) WAIVER.—(1) The Secretary of Defense may waive the requirement in subsection (a) if the Secretary determines that the waiver is in the national security interest of the United States. Any such waiver shall be made in consultation with the Director of Central Intelligence.

Reports.

(2) If the Secretary makes the waiver authorized by paragraph (1), the Secretary shall, within 30 days of issuing the waiver, submit to the appropriate congressional committees a report that includes the following:

(A) The Secretary's reasons for determining that the waiver is in the national security interest of the United States.

(B) The Secretary's plan for use of the amount referred to in subsection (a).

Deadline.

(c) REPORT ON DEPARTMENT OF DEFENSE IMPLEMENTATION OF PRESIDENT'S COMMERCIAL REMOTE SENSING POLICY.—(1) Not later than March 1, 2004, the Secretary of Defense shall submit to the appropriate congressional committees a report on the actions taken, and to be taken, by the Secretary to implement the President's policy issued on May 13, 2003, with the title "U.S. Commercial Remote Sensing Space Policy". The Secretary shall consult with the Director of Central Intelligence in preparing the report.

(2) The report under paragraph (1) shall include an assessment of the following matters:

(A) The sufficiency for the sustainment of a viable commercial imagery industrial base in the United States of—

(i) the President's policy referred to in paragraph (1);

(ii) the amount provided for the Department of Defense for fiscal year 2004 for the acquisition of imagery from commercial sources; and

(iii) the amounts scheduled in the future-years defense program (as of the submission of the report) for the acquisition of imagery from commercial sources.

(B) The extent to which the President's policy referred to in paragraph (1) and Department of Defense programs relating to the procurement of imagery from commercial sources are sufficient to ensure that imagery is available to the Department of Defense from United States commercial sources to meet the needs of the Department of Defense in a timely manner.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES.—For the purposes of this section, the term "appropriate congressional committees" means—

(1) the Committee on Armed Services, the Select Committee on Intelligence, and the Committee on Appropriations of the Senate; and

(2) the Committee on Armed Services, the Permanent Select Committee on Intelligence, and the Committee on Appropriations of the House of Representatives.

Subtitle D—Other Matters

SEC. 931. AUTHORITY FOR ASIA-PACIFIC CENTER FOR SECURITY STUDIES TO ACCEPT GIFTS AND DONATIONS.

(a) AUTHORIZED SOURCES OF GIFTS AND DONATIONS.—Subsection (a) of section 2611 of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "foreign gifts and donations" and inserting "gifts and donations from sources described in paragraph (2)";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph (2):

"(2) The sources from which gifts and donations may be accepted under paragraph (1) are the following:

"(A) The government of a State or a political subdivision of a State.

"(B) The government of a foreign country.

"(C) A foundation or other charitable organization, including a foundation or charitable organization that is organized or operates under the laws of a foreign country.

"(D) Any source in the private sector of the United States or a foreign country.".

(b) CONFORMING AMENDMENTS.—(1) Section 2611 of such title is further amended—

(A) by striking "FOREIGN" in the headings for subsections (a) and (f);

(B) in subsection (c), by striking "foreign"; and

(C) in subsection (f)—

(i) by striking "foreign" after "section, a"; and

(ii) by striking "from a foreign" and all that follows through "country." and inserting a period.

(2) Section 184(b)(4) of such title is amended by striking "foreign".

(c) CLERICAL AMENDMENTS.—The heading of section 2611 of such title, and the item relating to such section in the table of sections at the beginning of chapter 155 of such title, are each amended by striking the third word after the colon.

(d) CROSS REFERENCE CORRECTION.—Section 2612(a) of such title is amended by striking "2611(f)" and inserting "2166(f)(4)".

SEC. 932. REPEAL OF ROTATING CHAIRMANSHIP OF ECONOMIC ADJUSTMENT COMMITTEE.

Section 4004(b) of the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990 (division D of Public Law 101–510; 10 U.S.C. 2391 note) is amended—

(1) by striking "Until October 1, 1997, the" and inserting "The"; and

(2) by striking the second sentence.

SEC. 933. EXTENSION OF CERTAIN AUTHORITIES APPLICABLE TO THE PENTAGON RESERVATION TO INCLUDE A DESIGNATED PENTAGON CONTINUITY-OF-GOVERNMENT LOCATION.

Section 2674 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) For purposes of subsections (b), (c), (d), and (e), the terms 'Pentagon Reservation' and 'National Capital Region' shall be treated as including the land and physical facilities at the Raven Rock Mountain Complex.".

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. United States contribution to NATO common-funded budgets in fiscal year 2004.
Sec. 1003. Authorization of supplemental appropriations for fiscal year 2003.
Sec. 1004. Authorization of supplemental appropriations for fiscal year 2004.
Sec. 1005. Reestablishment of authority for short-term leases of real or personal property across fiscal years.
Sec. 1006. Reimbursement rate for certain airlift services provided to Department of State.
Sec. 1007. Limitation on payment of facilities charges assessed by Department of State.
Sec. 1008. Use of the Defense Modernization Account for life cycle cost reduction initiatives.
Sec. 1009. Provisions relating to defense travel cards.

Subtitle B—Naval Vessels and Shipyards

Sec. 1011. Repeal of requirement regarding preservation of surge capability for naval surface combatants.
Sec. 1012. Enhancement of authority relating to use for experimental purposes of vessels stricken from Naval Vessel Register.
Sec. 1013. Transfer of vessels stricken from the Naval Vessel Register for use as artificial reefs.
Sec. 1014. Priority for title XI assistance.
Sec. 1015. Support for transfers of decommissioned vessels and shipboard equipment.
Sec. 1016. Advanced shipbuilding enterprise.
Sec. 1017. Report on Navy plans for basing aircraft carriers.
Sec. 1018. Limitation on disposal of obsolete naval vessel.

Subtitle C—Counterdrug Matters

Sec. 1021. Expansion and extension of authority to provide additional support for counter-drug activities.
Sec. 1022. Authority for joint task forces to provide support to law enforcement agencies conducting counter-terrorism activities.
Sec. 1023. Use of funds for unified counterdrug and counterterrorism campaign in Colombia.
Sec. 1024. Sense of Congress on reconsideration of decision to terminate border and seaport inspection duties of National Guard under National Guard drug interdiction and counter-drug mission.

Subtitle D—Reports

Sec. 1031. Repeal and modification of various reporting requirements applicable to the Department of Defense.
Sec. 1032. Plan for prompt global strike capability.
Sec. 1033. Annual report concerning dismantling of strategic nuclear warheads.
Sec. 1034. Report on use of unmanned aerial vehicles for support of homeland security missions.

Subtitle E—Codifications, Definitions, and Technical Amendments

Sec. 1041. Codification and revision of defense counterintelligence polygraph program authority.
Sec. 1042. General definitions applicable to facilities and operations of Department of Defense.
Sec. 1043. Additional definitions for purposes of title 10, United States Code.
Sec. 1044. Inclusion of annual military construction authorization request in annual defense authorization request.
Sec. 1045. Technical and clerical amendments.

Subtitle F—Other Matters

Sec. 1051. Assessment of effects of specified statutory limitations on the granting of security clearances.
Sec. 1052. Acquisition of historical artifacts through exchange of obsolete or surplus property.
Sec. 1053. Conveyance of surplus T–37 aircraft to Air Force Aviation Heritage Foundation, Incorporated.
Sec. 1054. Department of Defense biennial strategic plan for management of electromagnetic spectrum.
Sec. 1055. Revision of Department of Defense directive relating to management and use of radio frequency spectrum.
Sec. 1056. Sense of Congress on deployment of airborne chemical agent monitoring systems at chemical stockpile disposal sites in the United States.
Sec. 1057. Expansion of pre-September 11, 2001, fire grant program of United States Fire Administration.
Sec. 1058. Review and enhancement of existing authorities for using Air Force and Air National Guard Modular Airborne Fire-Fighting Systems and other Department of Defense assets to fight wildfires.

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) Authority To Transfer Authorizations.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2004 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,500,000,000.

(b) Limitations.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2004.

(a) FISCAL YEAR 2004 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2004 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2003, of funds appropriated for fiscal years before fiscal year 2004 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $853,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $207,125,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term “common-funded budgets of NATO” means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term “fiscal year 1998 baseline limitation” means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1003. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2003.

(a) DOD AND DOE AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense and the Department of Energy for fiscal year 2003 in the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased (by a supplemental appropriation) or decreased (by a rescission), or both, or are increased by a transfer of funds, pursuant to title I of Public Law 108–11.

Deadline. (b) REPORT ON FISCAL YEAR 2003 TRANSFERS.—Not later than 30 days after the end of each fiscal quarter for which unexpended balances of funds appropriated under title I of Public Law 108–11 are available for the Department of Defense, the Secretary of Defense shall submit to the congressional defense committees a report stating, for each transfer of such funds during such fiscal quarter of an amount provided for the Department of Defense through a so-called "transfer account", including the Iraqi Freedom Fund or any other similar account—

(1) the amount of the transfer;

(2) the appropriation account to which the transfer was made; and

(3) the specific purpose for which the transferred funds were used or are to be used.

SEC. 1004. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2004.

(a) DEPARTMENT OF DEFENSE AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2004 in this Act are hereby increased, with respect to any such amount, by the amount by which the corresponding appropriation account of the Department of Defense for fiscal year 2004 is increased by a supplemental appropriation, or by a transfer of funds, pursuant to title I of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.

(b) DESIGNATION AS EMERGENCY.—Amounts by which authorizations of appropriations are increased in accordance with subsection (a) are designated as emergency requirements pursuant to section 502 of House Concurrent Resolution 95 of the 108th Congress.

SEC. 1005. REESTABLISHMENT OF AUTHORITY FOR SHORT-TERM LEASES OF REAL OR PERSONAL PROPERTY ACROSS FISCAL YEARS.

(a) REESTABLISHMENT OF AUTHORITY.—Subsection (a) of section 2410a of title 10, United States Code, is amended—

(1) by inserting "(1)" before "The Secretary of Defense";

(2) by striking "for procurement of severable services" and inserting "for a purpose described in paragraph (2)"; and

(3) by adding at the end the following new paragraph: "(2) The purpose of a contract described in this paragraph is as follows:

"(A) The procurement of severable services.

"(B) The lease of real or personal property, including the maintenance of such property when contracted for as part of the lease agreement.".

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

“§ 2410a. Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property”.

(2) The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

“2410a. Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall not apply to funds appropriated for a fiscal year before fiscal year 2004. 10 USC 2410a note.

SEC. 1006. REIMBURSEMENT RATE FOR CERTAIN AIRLIFT SERVICES PROVIDED TO DEPARTMENT OF STATE.

(a) AUTHORITY.—Subsection (a) of section 2642 of title 10, United States Code, is amended—

(1) by striking “(a) AUTHORITY” and all that follows through “the Department of Defense” the second place it appears and inserting the following:

“(a) AUTHORITY.—The Secretary of Defense may authorize the use of the Department of Defense reimbursement rate for military airlift services provided by a component of the Department of Defense as follows:

“(1) For military airlift services provided”; and

(2) by adding at the end the following new paragraph:

“(2) For military airlift services provided to the Department of State for the transportation of armored motor vehicles to a foreign country to meet requirements of the Department of State for armored motor vehicles associated with the overseas travel of the Secretary of State in that country.”.

(b) CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

“§ 2642. Airlift services provided to certain other agencies: use of Department of Defense reimbursement rate”.

(2) The item relating to such section in the table of sections at the beginning of chapter 157 of such title is amended to read as follows:

“2642. Airlift services provided to certain other agencies: use of Department of Defense reimbursement rate.”.

SEC. 1007. LIMITATION ON PAYMENT OF FACILITIES CHARGES ASSESSED BY DEPARTMENT OF STATE.

10 USC 2241 note.

(a) COSTS OF GOODS AND SERVICES PROVIDED TO DEPARTMENT OF STATE.—Funds appropriated for the Department of Defense may be transferred to the Department of State as remittance for a fee charged to the Department of Defense by the Department of State for any year for the maintenance, upgrade, or construction of United States diplomatic facilities only to the extent that the amount charged (when added to other amounts previously so charged for that fiscal year) exceeds the total amount of the unreimbursed costs incurred by the Department of Defense during that year in providing goods and services to the Department of State.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect as of October 1, 2003.

SEC. 1008. USE OF THE DEFENSE MODERNIZATION ACCOUNT FOR LIFE CYCLE COST REDUCTION INITIATIVES.

(a) FUNDS AVAILABLE FOR DEFENSE MODERNIZATION ACCOUNT.—Section 2216 of title 10, United States Code, is amended—

(1) by striking subsection (c);

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) FUNDS AVAILABLE FOR ACCOUNT.—The Defense Modernization Account shall consist of the following:

"(1) Amounts appropriated to the Defense Modernization Account for the costs of commencing projects described in subsection (d)(1), and amounts reimbursed to the Defense Modernization Account under subsections (c)(1)(B)(iii) out of savings derived from such projects.

"(2) Amounts transferred to the Defense Modernization Account under subsection (c).".

(b) START-UP FUNDING.—Subsection (d) of such section is amended—

(1) by striking "available from the Defense Modernization Account pursuant to subsection (f) or (g)" and inserting "in the Defense Modernization Account";

(2) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(3) by inserting after "purposes:" the following new paragraph (1):

"(1) For paying the costs of commencing any project that, in accordance with criteria prescribed by the Secretary of Defense, is undertaken by the Secretary of a military department or the head of a Defense Agency or other element of the Department of Defense to reduce the life cycle cost of a new or existing system.".

(c) REIMBURSEMENT OF ACCOUNT OUT OF SAVINGS.—(1) Paragraph (1)(B) of subsection (c) of such section, as redesignated by subsection (a)(2), is amended by adding at the end the following new clause:

"(iii) Unexpired funds in appropriations accounts that are available for procurement or operation and maintenance of a system, if and to the extent that savings are achieved for such accounts through reductions in life cycle costs of such system that result from one or more projects undertaken with respect to such systems with funds made available from the Defense Modernization Account under subsection (b)(1).".

(2) Paragraph (2) of such subsection is amended by inserting ", other than funds referred to in subparagraph (B)(iii) of such paragraph," after "Funds referred to in paragraph (1)".

(d) REGULATIONS.—Subsection (h) of such section is amended—

(1) by inserting "(1)" after "COMPTROLLER.—"; and

(2) by adding at the end the following new paragraph (2):

"(2) The regulations prescribed under paragraph (1) shall, at a minimum, provide for—

"(A) the submission of proposals by the Secretaries concerned or heads of Defense Agencies or other elements of the Department of Defense to the Comptroller for the use of Defense

Modernization Account funds for purposes set forth in subsection (d);

"(B) the use of a competitive process for the evaluation of such proposals and the selection of programs, projects, and activities to be funded out of the Defense Modernization Account from among those proposed for such funding; and

"(C) the calculation of—

"(i) the savings to be derived from projects described in subsection (d)(1) that are to be funded out of the Defense Modernization Account; and

"(ii) the amounts to be reimbursed to the Defense Modernization Account out of such savings pursuant to subsection (c)(1)(B)(iii).".

(e) ANNUAL REPORT.—Subsection (i) of such section is amended—

Deadline.

(1) by striking "QUARTERLY REPORTS.—(1) Not later than 15 days after the end of each calendar quarter," and inserting "ANNUAL REPORT.—(1) Not later than 15 days after the end of each fiscal year,"; and

(2) in paragraph (1), by striking "quarter" in subparagraphs (A), (B), and (C), and inserting "fiscal year".

(f) CODIFICATION AND EXTENSION OF EXPIRATION OF AUTHORITY.—(1) Such section is further amended by adding at the end the following new subsection:

"(k) EXPIRATION OF AUTHORITY AND ACCOUNT.—(1) The authority under subsection (c) to transfer funds into the Defense Modernization Account terminates at the close of September 30, 2006.

"(2) Three years after the termination date specified in paragraph (1), the Defense Modernization Account shall be closed and any remaining balance in the account shall be canceled and thereafter shall not be available for any purpose.".

(2) Subsection (c) of section 912 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 410; 10 U.S.C. 2216 note) is repealed.

SEC. 1009. PROVISIONS RELATING TO DEFENSE TRAVEL CARDS.

(a) MANDATORY DISBURSEMENT OF TRAVEL ALLOWANCES DIRECTLY TO TRAVEL CARD CREDITORS.—Section 2784a(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "The Secretary of Defense may require" and inserting "The Secretary of Defense shall require";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph (2):

"(2) The Secretary of Defense may waive the requirement for a direct payment to a travel care issuer under paragraph (1) in any case the Secretary determines appropriate.".

(b) DETERMINATIONS OF CREDITWORTHINESS FOR ISSUANCE OF DEFENSE TRAVEL CARD.—Section 2784a of title 10, United States Code, is amended—

(1) by redesignating subsections (d) and (e) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (c) the following new subsection (d):

"(d) DETERMINATIONS OF CREDITWORTHINESS FOR ISSUANCE OF DEFENSE TRAVEL CARD.—(1) The Secretary of Defense shall evaluate the creditworthiness of an employee of the Department of Defense or a member of armed forces before issuing a Defense travel card to such an employee or member. The evaluation may include an examination of the individual's credit history in available credit records.

"(2) An individual may not be issued a Defense travel card if the individual is found not creditworthy as a result of the evaluation required under paragraph (1).".

(c) DISCIPLINARY ACTIONS AND ASSESSING PENALTIES FOR MISUSE OF DEFENSE TRAVEL CARDS.—

(1) REQUIREMENT FOR REGULATIONS.—Section 2784a of title 10, United States Code, is further amended by inserting after subsection (d) (as added by subsection (b)) the following new subsection (e):

"(e) REGULATIONS ON DISCIPLINARY ACTION.—(1) The Secretary of Defense shall prescribe regulations for making determinations regarding the taking of disciplinary action, including assessment of penalties, against Department of Defense personnel for improper, fraudulent, or abusive use of Defense travel cards by such personnel.

"(2) The regulations prescribed under paragraph (1) shall—

"(A) provide for appropriate adverse personnel actions or other punishment to be imposed in cases in which employees of the Department of Defense violate such regulations or are negligent or engage in misuse, abuse, or fraud with respect to a Defense travel card, including removal in appropriate cases; and

"(B) provide that a violation of such regulations by a person subject to chapter 47 of this title (the Uniform Code of Military Justice) is punishable as a violation of section 892 of this title (article 92 of the Uniform Code of Military Justice).".

Deadline.

(2) REPORT.—Not later than February 1, 2004, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the regulations prescribed under section 2784a(e) of title 10, United States Code, as added by paragraph (1). The report shall include the following:

(A) The regulations.

(B) A discussion of the implementation of the regulations.

(C) A discussion of any additional administrative action, or any recommended legislation, that the Secretary considers necessary to effectively take disciplinary action against and penalize Department of Defense personnel for improper, fraudulent, or abusive use of Defense travel cards by such personnel.

(3) DEFENSE TRAVEL CARD DEFINED.—In this subsection, the term "Defense travel card" has the meaning given such term in section 2784a(f)(1) of title 10, United States Code (as redesignated by subsection (b)).

Subtitle B—Naval Vessels and Shipyards

SEC. 1011. REPEAL OF REQUIREMENT REGARDING PRESERVATION OF SURGE CAPABILITY FOR NAVAL SURFACE COMBATANTS.

(a) REPEAL.—Section 7296 of title 10, United States Code, is amended by striking subsection (b).

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) by striking "(3) Any notification under paragraph (1)(A)" and inserting "(b) CONTENT OF NOTIFICATION.—Any notification under subsection (a)(1)(A)";

(2) by redesignating subparagraphs (A), (B), and (C) of subsection (b) (as redesignated by paragraph (1)) as paragraphs (1), (2), and (3), respectively; and

(3) by striking "subparagraph (B)" in subsection (b)(3) (as redesignated by paragraphs (1) and (2)) and inserting "paragraph (2)".

SEC. 1012. ENHANCEMENT OF AUTHORITY RELATING TO USE FOR EXPERIMENTAL PURPOSES OF VESSELS STRICKEN FROM NAVAL VESSEL REGISTER.

(a) ENVIRONMENTAL REMEDIATION.—Paragraph (1) of subsection (b) of section 7306a of title 10, United States Code, is amended—

(1) by inserting "AND ENVIRONMENTAL REMEDIATION OF" in the subsection heading after "STRIPPING"; and

(2) by inserting before the period at the end the following: "and such environmental remediation of the vessel as is required for the use of the vessel for experimental purposes".

(b) SALE OF MATERIAL AND EQUIPMENT STRIPPED FROM VESSEL.—Subsection (b) of such section is further amended—

(1) by redesignating paragraph (2) as paragraph (3);

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2) Material and equipment stripped from a vessel under paragraph (1) may be sold by the contractor or by a sales agent approved by the Secretary."; and

(3) in paragraph (3), as redesignated by paragraph (1), by striking "scrapping services" and all that follows through the end of such subsection and inserting "services needed for such stripping and for environmental remediation required for the use of the vessel for experimental purposes. Amounts received in excess of amounts needed for reimbursement of those costs shall be deposited into the account from which the stripping and environmental remediation expenses were incurred and shall be available for stripping and environmental remediation of other vessels to be used for experimental purposes.".

(c) CLARIFICATION OF COVERED EXPERIMENTAL PURPOSES.—Such section is further amended by adding at the end the following new subsection:

"(c) USE FOR EXPERIMENTAL PURPOSES DEFINED.—In this section, the term 'use for experimental purposes', with respect to a vessel, includes use of the vessel in a Navy sink exercise or for target purposes.".

SEC. 1013. TRANSFER OF VESSELS STRICKEN FROM THE NAVAL VESSEL REGISTER FOR USE AS ARTIFICIAL REEFS.

(a) AUTHORITY TO MAKE TRANSFER.—Chapter 633 of title 10, United States Code, is amended by inserting after section 7306a the following new section:

“§ 7306b. Vessels stricken from Naval Vessel Register: transfer by gift or otherwise for use as artificial reefs

“(a) AUTHORITY TO MAKE TRANSFER.—The Secretary of the Navy may transfer, by gift or otherwise, any vessel stricken from the Naval Vessel Register to any State, Commonwealth, or possession of the United States, or any municipal corporation or political subdivision thereof, for use as provided in subsection (b).

“(b) VESSEL TO BE USED AS ARTIFICIAL REEF.—An agreement for the transfer of a vessel under subsection (a) shall require that—

“(1) the recipient use, site, construct, monitor, and manage the vessel only as an artificial reef in accordance with the requirements of the National Fishing Enhancement Act of 1984 (33 U.S.C. 2101 et seq.), except that the recipient may use the artificial reef to enhance diving opportunities if that use does not have an adverse effect on fishery resources (as that term is defined in section 2(14) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802(14)); and

“(2) the recipient obtain, and bear all responsibility for complying with, applicable Federal, State, interstate, and local permits for using, siting, constructing, monitoring, and managing the vessel as an artificial reef.

“(c) PREPARATION OF VESSEL FOR USE AS ARTIFICIAL REEF.—The Secretary shall ensure that the preparation of a vessel transferred under subsection (a) for use as an artificial reef is conducted in accordance with—

“(1) the environmental best management practices developed pursuant to section 3504(b) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 16 U.S.C. 1220 note); and

“(2) any applicable environmental laws.

“(d) COST SHARING.—The Secretary may share with the recipient of a vessel transferred under subsection (a) any costs associated with transferring the vessel under that subsection, including costs of the preparation of the vessel under subsection (c).

“(e) NO LIMITATION ON NUMBER OF VESSELS TRANSFERABLE TO PARTICULAR RECIPIENT.—A State, Commonwealth, or possession of the United States, or any municipal corporation or political subdivision thereof, may be the recipient of more than one vessel transferred under subsection (a).

“(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a transfer authorized by subsection (a) as the Secretary considers appropriate.

“(g) CONSTRUCTION.—Nothing in this section shall be construed to establish a preference for the use as artificial reefs of vessels stricken from the Naval Vessel Register in lieu of other authorized uses of such vessels, including the domestic scrapping of such vessels, or other disposals of such vessels, under this chapter or other applicable authority.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7306a the following new item:

“7306b. Vessels stricken from Naval Vessel Register: transfer by gift or otherwise for use as artificial reefs.”.

SEC. 1014. PRIORITY FOR TITLE XI ASSISTANCE.

(a) IN GENERAL.—Section 1103 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273) is amended—

(1) in subsection (i) (as added by section 3544 of this Act) by striking “PRIORITY”and inserting “PRIORITY FOR NATIONAL DEFENSE TANK VESSELS”; and

(2) by adding at the end the following:

“(j) PRIORITY FOR OTHER VESSELS SUITABLE FOR SERVICE AS A NAVAL AUXILIARY.—In guaranteeing and entering commitments to guarantee under this section, the Secretary shall, after applying subsection (i), give priority to a guarantee or commitment for a vessel that is otherwise eligible for a guarantee under this section and that the Secretary of Defense determines—

“(1) is suitable for service as a naval auxiliary in time of war or national emergency; and

“(2) meets a shortfall in sealift capacity or capability.”.

(b) REPORT.—Within 180 days after the date of the enactment of this Act, the Secretary of Transportation and the Secretary of Defense shall transmit a report to the Senate Committee on Armed Services, the Senate Committee on Commerce, Science, and Transportation, and the House of Representatives Committee on Armed Services that—

(1) sets forth the criteria to be used by the Secretary of Defense in making, for purposes of section 1103(j) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273(j)), as amended by this section, the determinations described in paragraphs (1) and (2) of that section; and

(2) describes the procedure that the Secretary of Defense will follow—

(A) in reviewing applications for which priority treatment is sought under section 1103(j) of that Act; and

(B) in reporting to the Secretary of Transportation with respect to such applications.

SEC. 1015. SUPPORT FOR TRANSFERS OF DECOMMISSIONED VESSELS AND SHIPBOARD EQUIPMENT.

(a) IN GENERAL.—Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 7316. Support for transfers of decommissioned vessels and shipboard equipment

“(a) AUTHORITY TO PROVIDE ASSISTANCE.—The Secretary of the Navy may provide an entity described in subsection (b) with assistance in support of a transfer of a vessel or shipboard equipment described in such subsection that is being executed under section 2572, 7306, 7307, or 7545 of this title, or under any other authority.

“(b) COVERED VESSELS AND EQUIPMENT.—The authority under this section applies—

"(1) in the case of a decommissioned vessel that—

"(A) is owned and maintained by the Navy, is located at a Navy facility, and is not in active use; and

"(B) is being transferred to an entity designated by the Secretary of the Navy or by law to receive transfer of the vessel; and

"(2) in the case of any shipboard equipment that—

"(A) is on a vessel described in paragraph (1)(A); and

"(B) is being transferred to an entity designated by the Secretary of the Navy or by law to receive transfer of the equipment.

"(c) REIMBURSEMENT.—The Secretary may require a recipient of assistance under subsection (a) to reimburse the Navy for amounts expended by the Navy in providing the assistance.

"(d) DEPOSIT OF FUNDS RECEIVED.—Funds received in a fiscal year under subsection (c) shall be credited to the appropriation available for such fiscal year for operation and maintenance for the office of the Navy managing inactive ships, shall be merged with other sums in the appropriation that are available for such office, and shall be available for the same purposes and period as the sums with which merged.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"7316. Support for transfers of decommissioned vessels and shipboard equipment.".

SEC. 1016. ADVANCED SHIPBUILDING ENTERPRISE.

(a) FINDINGS.—Congress makes the following findings:

(1) The President's budget for fiscal year 2004, as submitted to Congress, includes $10,300,000 for the Advanced Shipbuilding Enterprise of the National Shipbuilding Research Program.

(2) The Advanced Shipbuilding Enterprise is an innovative program to encourage greater efficiency among shipyards in the defense industrial base.

(3) The leaders of the Nation's shipbuilding industry have embraced the Advanced Shipbuilding Enterprise as a method of exploring and collaborating on innovation in shipbuilding and ship repair that collectively benefits all manufacturers in the industry.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the Congress strongly supports the innovative Advanced Shipbuilding Enterprise of the National Shipbuilding Research Program that has yielded new processes and techniques to reduce the cost of building and repairing ships in the United States;

(2) the Congress is concerned that the future-years defense program submitted to Congress for fiscal year 2004 does not reflect any funding for the Advanced Shipbuilding Enterprise after fiscal year 2004; and

(3) the Secretary of Defense and the Secretary of the Navy should continue funding the Advanced Shipbuilding Enterprise at a sustaining level through the future-years defense program to support subsequent rounds of research that reduce the cost of designing, building, and repairing ships.

SEC. 1017. REPORT ON NAVY PLANS FOR BASING AIRCRAFT CARRIERS.

(a) FINDINGS.—Congress finds that—

(1) the Committee on Armed Services of the Senate, in its report to accompany the bill S. 2514 of the 107th Congress (Senate Report 107–151, filed May 15, 2002), at page 442 of that report directed that the Chief of Naval Operations submit to the congressional defense committees, not later than 180 days after enactment of the defense authorization Act for fiscal year 2003, a report on plans of the Navy for basing aircraft carriers through 2015;

(2) the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) was enacted on December 2, 2002; and

(3) as of October 24, 2003, the Chief of Naval Operations has not submitted the report referred to in paragraph (1).

Deadline.

(b) REPORT ON AIRCRAFT CARRIER BASING PLANS.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on plans of the Navy for basing aircraft carriers through 2020.

SEC. 1018. LIMITATION ON DISPOSAL OF OBSOLETE NAVAL VESSEL.

The Secretary of the Navy may not dispose of the decommissioned destroyer ex-Forrest Sherman (DD–931) before October 1, 2004, to an entity that is not a nonprofit organization unless the Secretary first determines that there is no nonprofit organization that meets the criteria for donation of that vessel under section 7306(a)(3) of title 10, United States Code.

Subtitle C—Counterdrug Matters

SEC. 1021. EXPANSION AND EXTENSION OF AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES.

(a) GENERAL EXTENSION OF AUTHORITY.—Subsection (a) of section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881) is amended—

(1) by inserting “(1)” before “Subject to”;

(2) by striking “either or both” and inserting “any”; and

(3) by inserting after the second sentence the following new paragraph:

Expiration date.

“(2) The authority to provide support to a government under this section expires September 30, 2006.”.

(b) ADDITIONAL GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—Subsection (b) of such section is amended by adding at the end the following new paragraphs:

“(3) The Government of Afghanistan.

“(4) The Government of Bolivia.

“(5) The Government of Ecuador.

“(6) The Government of Pakistan.

“(7) The Government of Tajikistan.

“(8) The Government of Turkmenistan.

“(9) The Government of Uzbekistan.”.

(c) TYPES OF SUPPORT.—Subsection (c) of such section is amended—

(1) in paragraph (2), by striking “riverine”; and

(2) in paragraph (3), by inserting “or upgrade” after “maintenance and repair”.

(d) MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Subsection (e)(2) of such section is amended by striking "$20,000,000 during any of the fiscal years 1999 through 2006" and inserting "$20,000,000 during any of the fiscal years 1999 through 2003, or $40,000,000 during any of the fiscal years 2004 through 2006".

(e) COUNTER-DRUG PLAN.—(1) Subsection (h) of such section is amended—

(A) in the subsection caption, by striking "RIVERINE";

(B) in the matter preceding paragraph (1)—

(i) by striking "fiscal year 1998" and inserting "fiscal year 2004"; and

(ii) by striking "riverine"; and

(C) by striking "riverine" each place it appears in paragraphs (2), (7), (8), and (9).

(2) Subsection (f)(2)(A) of such section is amended by striking "riverine".

(f) CLERICAL AND CONFORMING AMENDMENTS.—(1) Subsection (b) of such section is further amended—

(A) in paragraph (1), by striking ", for fiscal years 1998 through 2002"; and

(B) in paragraph (2), by striking ", for fiscal years 1998 through 2006".

(2) The heading for such section is amended by striking "**PERU AND COLOMBIA**" and inserting "**OTHER COUNTRIES**".

10 USC 371 note.

SEC. 1022. AUTHORITY FOR JOINT TASK FORCES TO PROVIDE SUPPORT TO LAW ENFORCEMENT AGENCIES CONDUCTING COUNTER-TERRORISM ACTIVITIES.

(a) AUTHORITY.—A joint task force of the Department of Defense that provides support to law enforcement agencies conducting counter-drug activities may also provide, subject to all applicable laws and regulations, support to law enforcement agencies conducting counter-terrorism activities.

(b) CONDITIONS.—Any support provided under subsection (a) may only be provided in the geographic area of responsibility of the joint task force.

SEC. 1023. USE OF FUNDS FOR UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

(a) AUTHORITY.—(1) In fiscal year 2004, funds available to the Department of Defense to provide assistance to the Government of Colombia may be used by the Secretary of Defense to support a unified campaign by the Government of Colombia against narcotics trafficking and against activities by organizations designated as terrorist organizations, such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC).

(2) The authority to provide assistance for a campaign under this subsection includes authority to take actions to protect human health and welfare in emergency circumstances, including the undertaking of rescue operations.

(b) APPLICABILITY OF CERTAIN LAWS AND LIMITATIONS.—The use of funds pursuant to the authority in subsection (a) shall be subject to the following:

(1) Sections 556, 567, and 568 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (Public Law 107–115; 115 Stat. 2160, 2165, and 2166).

(2) Section 8077 of the Department of Defense Appropriations Act, 2004 (Public Law 108–87; 115 Stat. 2267).

(3) The numerical limitations on the number of United States military personnel and United States individual civilian contractors in section 3204(b)(1) of the Emergency Supplemental Act, 2000 (division B of Public Law 106–246; 114 Stat. 575), as amended by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (Public Law 107–115; 115 Stat. 2131).

(c) LIMITATION ON PARTICIPATION OF UNITED STATES PERSONNEL.—No United States Armed Forces personnel, United States civilian employees, or United States civilian contractor personnel employed by the United States may participate in any combat operation in connection with assistance using funds pursuant to the authority in subsection (a), except for the purpose of acting in self defense or of rescuing any United States citizen, including any United States Armed Forces personnel, United States civilian employee, or civilian contractor employed by the United States.

(d) RELATION TO OTHER AUTHORITY.—The authority provided by subsection (a) is in addition to any other authority in law to provide assistance to the Government of Colombia.

SEC. 1024. SENSE OF CONGRESS ON RECONSIDERATION OF DECISION TO TERMINATE BORDER AND SEAPORT INSPECTION DUTIES OF NATIONAL GUARD UNDER NATIONAL GUARD DRUG INTERDICTION AND COUNTER-DRUG MISSION.

(a) FINDINGS.—Congress makes the following findings:

(1) The counter-drug inspection mission of the National Guard is highly important in preventing the entry of illegal narcotics into the United States.

(2) The expertise of members of the National Guard in conducting vehicle inspections at United States borders and seaports has contributed to the identification and seizure of illegal narcotics being smuggled into the United States.

(3) The support provided by the National Guard to the United States Customs Service and the Bureau of Border Security of the Department of Homeland Security greatly enhances the capability of these agencies to perform counter-terrorism surveillance and other border protection duties.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should reconsider the decision of the Department of Defense to terminate the border inspection and seaport inspection duties of the National Guard as part of the drug interdiction and counter-drug mission of the National Guard.

Subtitle D—Reports

SEC. 1031. REPEAL AND MODIFICATION OF VARIOUS REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 117(e) is amended by striking “each month” and all that follows through “subsection (d)” and inserting “each quarter submit to the congressional defense committees a report in writing containing the results of the most recent joint readiness review under subsection (d)(1)(A)”.

(2) Section 127(d) is amended to read as follows:

"(d) ANNUAL REPORT.—Not later than December 1 each year, the Secretary of Defense shall submit to the congressional defense committees a report on expenditures during the preceding fiscal year under subsections (a) and (b).".

(3) Section 127a is amended by striking subsection (d).

(4) Section 128 is amended by striking subsection (d).

(5) Section 226(a) is amended—

(A) by striking "December 15" and inserting "January 15"; and

(B) by striking "in the following year" in paragraph (1) and inserting "in that year".

(6)(A) Section 228 is amended—

(i) in subsection (a)—

(I) by striking "MONTHLY" in the subsection heading and inserting "QUARTERLY";

(II) by striking "monthly" and inserting "quarterly"; and

(III) by striking "month" and inserting "fiscal-year quarter"; and

(ii) in subsection (c), by striking "month" each place it appears and inserting "quarter".

(B)(i) The heading of such section is amended to read as follows:

"§ 228. Quarterly reports on allocation of funds within operation and maintenance budget subactivities".

(ii) The item relating to section 228 in the table of sections at the beginning of chapter 9 is amended to read as follows:

"228. Quarterly reports on allocation of funds within operation and maintenance budget subactivities.".

(7) Section 437 is amended—

(A) by striking the second sentence of subsection (b); and

(B) in subsection (c)—

(i) by striking "report)—" in the matter preceding paragraph (1) and inserting "report) the following:";

(ii) by striking "a" in paragraphs (1), (2), and (3) after the paragraph designation and inserting "A";

(iii) by striking the semicolon at the end of paragraph (1) and inserting a period;

(iv) by striking "; and" at the end of paragraph (2) and inserting a period; and

(v) by adding at the end the following new paragraph:

"(4) A description of each corporation, partnership, or other legal entity that was established.".

(8)(A) Section 520c is amended—

(i) by striking subsection (b);

(ii) by striking "(a) PROVISION OF MEALS AND REFRESHMENTS.—"; and

(iii) by striking the heading for such section and inserting the following:

"§ 520c. Recruiting functions: provision of meals and refreshments".

(B) The item relating to such section in the table of sections at the beginning of chapter 31 is amended to read as follows:

"520c. Recruiting functions: provision of meals and refreshments.".

(9) Section 1060 is amended by striking subsection (d).

(10)(A) Section 1130 is amended—

(i) in subsection (a), by striking "and the other determinations necessary to comply with subsection (b)"; and

(ii) in subsection (b), by striking "to the requesting" and all that follows and inserting "to the requesting Member of Congress a detailed discussion of the rationale supporting the determination.".

(B) The heading for such section, and the item relating to such section in the table of sections at the beginning of chapter 57, are each amended by striking the last two words.

(11)(A) Section 1563 is amended—

(i) in subsection (a), by striking "and the other determinations necessary to comply with subsection (b)"; and

(ii) in subsection (b), by striking "notice in writing" and all that follows and inserting "a detailed discussion of the rationale supporting the determination.".

(B) The heading for such section, and the item relating to such section in the table of sections at the beginning of chapter 80, are each amended by striking the last two words.

(12) Section 2224 is amended by striking subsection (e).

(13) Section 2255(b) is amended—

(A) by striking paragraph (2);

(B) by striking "(1)" after "(b) EXCEPTION.—";

(C) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(D) by redesignating clauses (i), (ii), and (iii) of paragraph (1), as redesignated by subparagraph (C), as subparagraphs (A), (B), and (C), respectively.

(14) Section 2282 is amended by inserting "through 2008" after "March 1 of each year".

(15) Section 2323(i) is amended by striking paragraph (3).

(16) Section 2327(c)(1) is amended—

(A) in subparagraph (A), by striking "after the date on which such head of an agency submits to Congress a report on the contract" and inserting "if in the best interests of the Government";

(B) in subparagraph (B), by striking "A report under subparagraph (A)" and inserting "The Secretary shall maintain records of each contract entered into by reason of subparagraph (A). Such records"; and

(C) by striking subparagraph (C).

(17) Section 2350a is amended by striking subsection (f).

(18) Section 2350j(e)(2) is amended by inserting before the period the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of that report is provided in an electronic medium pursuant to section 480 of this title".

(19) Section 2371(h) is amended by adding at the end the following new paragraph:

"(3) No report is required under this subsection for a fiscal year after fiscal year 2006.".

(20) Section 2374a(e) is amended by inserting "during which one or more prizes are awarded under the program under subsection (a)" in the first sentence after "each fiscal year".

(21) Section 2410m(c) is amended—

(A) by striking "REPORTING REQUIREMENT.—Each year" and inserting "ANNUAL REPORT.—Not later than 60 days after the end of each fiscal year";

(B) by inserting "at the end of such fiscal year" in paragraph (1) before the period;

(C) by striking "during the year preceding the year in which the report is submitted" in paragraph (2) and inserting "under this section during that fiscal year";

(D) by striking "in such preceding year" in paragraph (3) and inserting "under this section during that fiscal year"; and

(E) by striking "in such preceding year" in paragraph (4) and inserting "under this section during that fiscal year".

(22) Section 2457 is amended by striking subsection (d).

(23) Section 2515(d) is amended—

(A) by striking "ANNUAL" in the subsection heading and inserting "BIENNIAL"; and

(B) in paragraph (1)—

(i) in the first sentence, by striking "an annual report" and inserting "a biennial report";

(ii) in the second sentence, by striking "each year" and inserting "each even-numbered year"; and

(iii) in the third sentence, by striking "during the fiscal year" and inserting "during the two fiscal years".

(24) Section 2521 is amended by striking subsection (e).

(25) Section 2541d is amended—

(A) by striking subsection (b); and

(B) in subsection (a), by striking "(a)" and all that follows through "The Secretary of Defense" and inserting "The Secretary of Defense".

(26) Section 2645 is amended—

(A) in subsection (d)—

(i) by striking "to Congress" and all that follows through "notification of the loss" in paragraph (1) and inserting "to Congress notification of the loss";

(ii) by striking "loss; and" and inserting "loss."; and

(iii) by striking paragraph (2); and

(B) by striking subsection (g).

(27) Section 2662 is amended—

(A) in subsection (a)—

(i) by redesignating paragraphs (1) through (6) as subparagraphs (A) through (F), respectively, and by designating the sentences following subparagraph (F), as so redesignated, as paragraph (2);

(ii) in paragraph (2), as so designated, by striking "clause (1) or (2)" and inserting "subparagraph (A) or (B) of paragraph (1)" and by striking "clause (5)" and inserting "subparagraph (E)";

(iii) by inserting "(1)" before "The Secretary";

(iv) by striking "after the expiration of 30 days" and all that follows through "is submitted" and inserting "the Secretary submits a report, subject to paragraph (3),";

(v) by striking "$500,000" each place it appears and inserting "$750,000"; and

(vi) by adding at the end the following new paragraphs:

"(3) The authority of the Secretary of a military department to enter into a transaction described in paragraph (1) commences only after—

"(A) the end of the 30-day period beginning on the first day of the month with respect to which the report containing the facts concerning such transaction, and all other such proposed transactions for that month, is submitted under paragraph (1); or

"(B) the end of the 14-day period beginning on the first day of that month when a copy of the report is provided in an electronic medium pursuant to section 480 of this title on or before the first day of that month.

"(4) The report for a month under this subsection may not be submitted later than the first day of that month.";

(B) in subsection (b), by striking "more than" and all that follows through "$500,000" and inserting "more than $250,000, but not more than $750,000"; and

(C) in subsection (e)—

(i) by striking "$500,000" and inserting "$750,000"; and

(ii) by striking "the expiration" and all that follows through the period at the end and inserting the following: "the end of the 30-day period beginning on the date on which a report of the facts concerning the proposed occupancy is submitted to the congressional committees named in subsection (a) or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.".

(28) Section 2667a(c)(2) is amended—

(A) by striking "Not later than 45 days before" and inserting "Before"; and

(B) by adding at the end the following new sentence: "The Secretary may then enter into the lease only after the end of the 30-day period beginning on the date on which the report is submitted or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.".

(29) Section 2672a is amended—

(A) in subsection (a)(1), by striking "he or his designee" and inserting "the Secretary";

(B) in subsection (b), by striking the last sentence; and

(C) by adding at the end the following new subsection:

"(c) Not later than 10 days after the date on which the Secretary of a military department determines to acquire an interest in land under the authority of this section, the Secretary shall submit Deadline.

to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives written notice containing a description of the property and interest to be acquired and the reasons for the acquisition.".

(30) Section 2676(d) is amended by inserting before the period at the end of the last sentence the following: "or, if over sooner, a period of 14 days elapses from the date on which a copy of that notification is provided in an electronic medium pursuant to section 480 of this title".

(31) Section 2680 is amended by striking subsection (e).

(32) Section 2688(e) is amended to read as follows:

Deadline.

"(e) QUARTERLY REPORT.—Not later than 30 days after the end of each quarter of a fiscal year, the Secretary shall submit to the congressional defense committees a report on the conveyances made under subsection (a) during such fiscal quarter. The report shall include, for each such conveyance, an economic analysis (based upon accepted life-cycle costing procedures approved by the Secretary of Defense) demonstrating that—

"(1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States; and

"(2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned.".

(33) Section 2696 is amended—

(A) in subsection (b)—

(i) in paragraph (1), by inserting "and Congress" after "the Secretary concerned" the second place it appears; and

(ii) in paragraph (2), by inserting "and Congress" after "the Secretary concerned" the first place it appears;

(B) by striking subsection (c); and

(C) by striking subsection (d) and inserting the following new subsection (d):

"(d) EFFECT OF SUBMISSION OF NOTICE.—If the Administrator of General Services submits notice under subsection (b)(1) that further Federal use of a parcel of real property is requested by a Federal agency, the Secretary concerned may not proceed with the conveyance of the real property as provided in the provision of law authorizing or requiring the conveyance until the end of the 180-day period beginning on the date on which the notice is submitted to Congress.".

(34) Section 2803(b) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the seven-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(35) Section 2804(b) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(36) Section 2805(b)(2) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the 14-day period beginning on the date

on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(37) Section 2807 is amended—

(A) in subsection (b)—

(i) by striking "$500,000" and inserting "$1,000,000";

(ii) by striking "not less than 21 days"; and

(iii) by adding at the end the following new sentence: "The Secretary may then obligate funds for such services only after the end of the 21-day period beginning on the date on which the notification is received by the committees or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title."; and

(B) in subsection (c)(2), by inserting before the period at the end the following: "or, if over sooner, a period of 14 days has elapsed from the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title".

(38) Section 2809(f)(2) is amended—

(A) by striking "calendar"; and

(B) by inserting before the period at the end the following: "or, if over sooner, a period of 14 days has expired following the date on which a copy of the justification and economic analysis are provided in an electronic medium pursuant to section 480 of this title".

(39) Section 2812(c)(1)(B) is amended by inserting before the period at the end the following: "or, if over sooner, a period of 14 days has expired following the date on which a copy of the justification and economic analysis are provided in an electronic medium pursuant to section 480 of this title".

(40) Section 2813(c) is amended—

(A) by striking "the end of the 30-day period beginning on the date"; and

(B) by adding at the end the following new sentence: "After the notification is transmitted, the Secretary may then enter into the contract only after the end of the 30-day period beginning on the date on which the notification is received by the committees or, if earlier, the end of the 21-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.".

(41) Section 2825 is amended—

(A) in subsection (b)(1)—

(i) by striking "(i)" in the last sentence; and

(ii) by striking ", and (ii)" and all that follows and inserting a period and the following new sentence: "If the Secretary concerned makes a determination under the preceding sentence with respect to an improvement, the waiver under that sentence with respect to that improvement may take effect only after the Secretary transmits a notice of the proposed waiver, together with an economic analysis demonstrating that the improvement will be cost effective, to the appropriate committees of Congress and a period of 21 days has elapsed after the date on which the notification is received by those committees or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notice is provided in an electronic medium pursuant to section 480 of this title.”; and

(B) in subsection (c)(1)(D), by inserting before the period at the end the following: “or, if over sooner, a period of 14 days elapses after the date on which a copy of the notice is provided in an electronic medium pursuant to section 480 of this title”.

(42) Section 2827(b)(2) is amended by inserting before the period at the end the following: “or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(43) Section 2836(f)(2) is amended—

(A) by striking “21 calendar days” and inserting “21 days”; and

(B) by inserting before the period at the end the following: “or, if over sooner, a period of 14 days has expired following the date on which a copy of the economic analysis is provided in an electronic medium pursuant to section 480 of this title”.

(44) Section 2837(c)(2) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title”.

(45) Section 2854(b) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the seven-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(46) Section 2854a(c)(2) is amended—

(A) by striking “calendar”; and

(B) by inserting before the period at the end the following: “or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the justification is provided in an electronic medium pursuant to section 480 of this title”.

(47) Section 2865(e)(2) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(48) Section 2866(c)(2) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(49) Section 2867(c) is amended by inserting before the period at the end of the last sentence the following: “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title”.

(50) Section 2875(e) is amended by inserting before the period at the end the following: “or, if earlier, the end of

the 14-day period beginning on the date on which a copy of the notice and justification is provided in an electronic medium pursuant to section 480 of this title".

(51) Section 2883(f) is amended by inserting before the period at the end the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notice and justification is provided in an electronic medium pursuant to section 480 of this title".

(52) Section 2902(g) is amended—

(A) by striking paragraph (2); and

(B) by striking "(1)" after "(g)".

(53) Section 4342(h) is amended by striking "Secretary of the Army" and inserting "Superintendent".

(54) Section 4357(c) is amended by inserting before the period at the end the following: "or, if earlier, the expiration of 14 days following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title".

(55) Section 6954(f) is amended by striking "Secretary of the Navy" and inserting "Superintendent of the Naval Academy".

(56) Section 6975(c) is amended by inserting before the period at the end the following: "or, if earlier, the expiration of 14 days following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title".

(57) Section 7049(c) is amended—

(A) by striking "CERTIFICATION" in the subsection heading and inserting "DETERMINATION"; and

(B) by striking ", and certifies to" and all that follows through "House of Representatives,".

(58) Section 9342(h) is amended by striking "Secretary of the Air Force" and inserting "Superintendent".

(59) Section 9356(c) is amended by inserting before the period at the end the following: "or, if earlier, the expiration of 14 days following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title".

(60) Section 9514 is amended—

(A) in subsection (c)—

(i) by striking "to Congress" and all that follows through "notification of the loss" in paragraph (1) and inserting "to Congress notification of the loss";

(ii) by striking "loss; and" and inserting "loss."; and

(iii) by striking paragraph (2); and

(B) by striking subsection (f).

(61) Section 12302 is amended by striking subsection (d).

(b) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1991.—Section 2921(g) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in paragraph (1), by striking "Not less than 30 days before" and inserting "Before";

(2) in paragraph (2), by striking "Not less than 30 days before" and inserting "Before"; and

(3) by adding at the end the following new paragraph:

“(3) When the Secretary submits a notification of a proposed agreement under paragraph (1) or (2), the Secretary may then enter into the agreement described in the notification only after the end of the 30-day period beginning on the date on which the notification is submitted or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of title 10, United States Code.”.

(c) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1992 AND 1993.—The National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190) is amended as follows:

(1) Section 734 (10 U.S.C. 1074 note) is amended by striking subsection (c).

Deadline.

(2) Section 2868(a) (10 U.S.C. 2802 note) is amended by striking “The Secretary of Defense” and all that follows through “is to be authorized” and inserting “Not later than 30 days after the date on which a decision is made selecting the site or sites for the permanent basing of a new weapon system, the Secretary of Defense shall submit to Congress”.

(d) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended as follows:

(1) Section 324 (10 U.S.C. 2701 note) is amended—

(A) by striking “(a) SENSE OF CONGRESS.—”; and

(B) by striking subsection (b).

(2) Section 1082(b)(1) (10 U.S.C. 113 note) is amended by striking “the Secretary of Defense—” and all that follows and inserting “the Secretary of Defense determines that it is in the national security interests of the United States for the military departments to do so.”.

(e) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995.—Section 721 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note) is amended by striking subsection (h).

(f) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997.—The National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) is amended as follows:

(1) Section 324 (10 U.S.C. 2706 note) is amended by striking subsection (c).

(2) Section 1065(b) (10 U.S.C. 113 note) is amended—

(A) by striking “(1)” before “Notwithstanding”; and

(B) by striking paragraph (2).

(g) STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999.—The Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) is amended as follows:

(1) Section 745(e) (10 U.S.C. 1071 note) is amended—

(A) by striking “(1)” before “The Secretary of Defense”; and

(B) by striking paragraph (2).

(2) Section 1223 (22 U.S.C. 1928 note) is repealed.

(h) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000.—The National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65) is amended as follows:

(1) Section 212 (10 U.S.C. 2501 note) is amended by striking subsection (c).

(2) Section 724 (10 U.S.C. 1092 note) is amended by striking subsection (e).

(3) Section 1039 (10 U.S.C. 113 note) is amended by striking subsection (b).

(i) Military Construction Appropriations Act, 2001.—Section 125 of the Military Construction Appropriations Act, 2001 (division A of Public Law 106–246; 114 Stat. 517), is repealed.

(j) Department of Defense Appropriations Act, 2002.—Section 8009 of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117; 115 Stat. 2249; 10 U.S.C. 401 note), is amended by striking ", and these obligations shall be reported to the Congress".

SEC. 1032. PLAN FOR PROMPT GLOBAL STRIKE CAPABILITY.

10 USC 113 note.

(a) Integrated Plan for Prompt Global Strike Capability.—The Secretary of Defense shall establish an integrated plan for developing, deploying, and sustaining a prompt global strike capability in the Armed Forces. The Secretary shall update the plan annually.

Establishment.

(b) Annual Reports.—(1) Not later than April 1 of each of 2004, 2005, and 2006, the Secretary shall submit to the congressional defense committees a report on the plan established under subsection (a).

(2) Each report under paragraph (1) shall include the following:

(A) A description and assessment of the targets against which long-range strike assets might be directed and the conditions under which those assets might be used.

(B) The role of, and plans for ensuring, sustainment and modernization of current long-range strike assets, including bombers, intercontinental ballistic missiles, and submarine-launched ballistic missiles.

(C) A description of the capabilities desired for advanced long-range strike assets and plans to achieve those capabilities.

(D) A description of the capabilities desired for advanced conventional munitions and the plans to achieve those capabilities.

(E) An assessment of advanced nuclear concepts that could contribute to the prompt global strike mission.

(F) An assessment of the command, control, and communications capabilities necessary to support prompt global strike capabilities.

(G) An assessment of intelligence, surveillance, and reconnaissance capabilities necessary to support prompt global strike capabilities.

(H) A description of how prompt global strike capabilities are to be integrated with theater strike capabilities.

(I) An estimated schedule for achieving the desired prompt global strike capabilities.

(J) The estimated cost of achieving the desired prompt global strike capabilities.

(K) A description of ongoing and future studies necessary for updating the plan appropriately.

SEC. 1033. ANNUAL REPORT CONCERNING DISMANTLING OF STRATEGIC NUCLEAR WARHEADS.

22 USC 5959 note.

(a) Annual Report.—Concurrent with the submission of the President's budget request to Congress each year, the Director of Central Intelligence shall submit to the committees specified in subsection (e) a report concerning dismantlement of Russian strategic nuclear warheads under the Moscow Treaty. Each such report shall discuss nuclear weapons dismantled by Russia during the prior fiscal year and the Director's projections for nuclear weapons to be dismantled by Russia during the current fiscal year and the fiscal year covered by the budget.

(b) CLASSIFICATION.—The annual report under this section shall be transmitted in an unclassified form when possible and classified form as necessary.

(c) TERMINATION OF REPORT REQUIREMENT.—The requirement to submit an annual report under this section terminates when the Moscow Treaty is no longer in effect.

(d) MOSCOW TREATY DEFINED.—For purposes of this section, the term "Moscow Treaty" means the Treaty Between the United States of America and the Russian Federation on Strategic Offensive Reductions, done at Moscow on May 24, 2002.

(e) COMMITTEES SPECIFIED.—The committees to which annual reports are to be submitted under this section are the following:

(1) The Committee on Armed Services, the Select Committee on Intelligence, and the Committee on Foreign Relations of the Senate.

(2) The Committee on Armed Services, the Permanent Select Committee on Intelligence, and the Committee on International Relations of the House of Representatives.

SEC. 1034. REPORT ON USE OF UNMANNED AERIAL VEHICLES FOR SUPPORT OF HOMELAND SECURITY MISSIONS.

Deadline.

(a) REQUIREMENT FOR REPORT.—Not later than April 1, 2004, the President shall submit to Congress a report on the potential uses of unmanned aerial vehicles for support of the performance of homeland security missions.

(b) CONTENT.—The report shall, at a minimum, include the following matters:

(1) An assessment of the potential for using unmanned aerial vehicles for monitoring activities in remote areas along the northern and southern borders of the United States.

(2) An assessment of the potential for using long-endurance, land-based unmanned aerial vehicles for supporting the Coast Guard in the performance of its—

(A) homeland security missions;

(B) drug interdiction missions; and

(C) other maritime missions along the approximately 95,000 miles of inland waterways in the United States.

(3) An assessment of the potential for using unmanned aerial vehicles for monitoring the safety and integrity of critical infrastructure within the territory of the United States, including the following:

(A) Oil and gas pipelines.

(B) Long-distance power transmission lines.

(C) Hydroelectric and nuclear power plants.

(D) Dams and drinking water utilities.

(4) An assessment of the potential for using unmanned aerial vehicles for monitoring the transportation of hazardous cargo.

(5) A discussion of the safety issues involved in—

(A) the use of unmanned aerial vehicles by agencies other than the Department of Defense; and

(B) the operation of unmanned aerial vehicles over populated areas of the United States.

(6) A discussion of—

(A) the effects on privacy and civil liberties that could result from the monitoring uses of unmanned aerial vehicles operated over the territory of the United States; and

(B) any restrictions on the domestic use of unmanned aerial vehicles that should be imposed, or any other actions that should be taken, to prevent any adverse effect of such a use of unmanned aerial vehicles on privacy or civil liberties.

(7) A discussion of what, if any, legislation and organizational changes may be necessary to accommodate the use of unmanned aerial vehicles of the Department of Defense in support of the performance of homeland security missions, including any amendment of section 1385 of title 18, United States Code (popularly referred to as the "Posse Comitatus Act").

(8) An evaluation of the capabilities of manufacturers of unmanned aerial vehicles to produce such vehicles at higher rates if necessary to meet any increased requirements for homeland security and homeland defense missions.

(c) REFERRAL TO COMMITTEES.—The report under subsection (a) shall—

(1) upon receipt in the Senate, be referred to the Committee on Armed Services of the Senate and other committees, as appropriate; and

(2) upon receipt in the House of Representatives, be referred to the Committee on Armed Services of the House of Representatives and other committees, as appropriate.

Subtitle E—Codifications, Definitions, and Technical Amendments

SEC. 1041. CODIFICATION AND REVISION OF DEFENSE COUNTERINTELLIGENCE POLYGRAPH PROGRAM AUTHORITY.

(a) CODIFICATION.—(1) Chapter 80 of title 10, United States Code, is amended by inserting after section 1564 the following new section:

"§ 1564a. Counterintelligence polygraph program

"(a) AUTHORITY FOR PROGRAM.—The Secretary of Defense may carry out a program for the administration of counterintelligence polygraph examinations to persons described in subsection (b). The program shall be based on Department of Defense Directive 5210.48, dated December 24, 1984.

"(b) PERSONS COVERED.—Except as provided in subsection (c), the following persons whose duties involve access to information that has been classified at the level of top secret or designated as being within a special access program under section 4.4(a) of Executive Order 12958 (or a successor Executive order) are subject to this section:

"(1) Military and civilian personnel of the Department of Defense.

"(2) Personnel of defense contractors.

"(3) A person assigned or detailed to the Department of Defense.

"(4) An applicant for a position in the Department of Defense.

"(c) EXCEPTIONS FROM COVERAGE FOR CERTAIN INTELLIGENCE AGENCIES AND FUNCTIONS.—This section does not apply to the following persons:

"(1) A person assigned or detailed to the Central Intelligence Agency or to an expert or consultant under a contract with the Central Intelligence Agency.

"(2) A person who is—

"(A) employed by or assigned or detailed to the National Security Agency;

"(B) an expert or consultant under contract to the National Security Agency;

"(C) an employee of a contractor of the National Security Agency; or

"(D) a person applying for a position in the National Security Agency.

"(3) A person assigned to a space where sensitive cryptographic information is produced, processed, or stored.

"(4) A person employed by, or assigned or detailed to, an office within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs or a contractor of such an office.

"(d) OVERSIGHT.—(1) The Secretary shall establish a process to monitor responsible and effective application of polygraph examinations within the Department of Defense.

"(2) The Secretary shall make information on the use of polygraphs within the Department of Defense available to the congressional defense committees.

"(e) POLYGRAPH RESEARCH PROGRAM.—The Secretary shall carry out a continuing research program to support the polygraph examination activities of the Department of Defense. The program shall include—

"(1) an on-going evaluation of the validity of polygraph techniques used by the Department;

"(2) research on polygraph countermeasures and anticountermeasures; and

"(3) developmental research on polygraph techniques, instrumentation, and analytic methods.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1564 the following new item:

"1564a. Counterintelligence polygraph program.".

(b) CONFORMING REPEAL.—Section 1121 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (10 U.S.C. 113 note), is repealed.

SEC. 1042. GENERAL DEFINITIONS APPLICABLE TO FACILITIES AND OPERATIONS OF DEPARTMENT OF DEFENSE.

(a) GENERAL DEFINITIONS APPLICABLE TO FACILITIES AND OPERATIONS.—Section 101 of title 10, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following new subsection (e):

"(e) FACILITIES AND OPERATIONS.—The following definitions relating to facilities and operations apply in this title:

"(1) RANGE.—The term 'range', when used in a geographic sense, means a designated land or water area that is set aside, managed, and used for range activities of the Department of Defense. Such term includes the following:

"(A) Firing lines and positions, maneuver areas, firing lanes, test pads, detonation pads, impact areas, electronic scoring sites, buffer zones with restricted access, and exclusionary areas.

"(B) Airspace areas designated for military use in accordance with regulations and procedures prescribed by the Administrator of the Federal Aviation Administration.

"(2) RANGE ACTIVITIES.—The term 'range activities' means—

"(A) research, development, testing, and evaluation of military munitions, other ordnance, and weapons systems; and

"(B) the training of members of the armed forces in the use and handling of military munitions, other ordnance, and weapons systems.

"(3) OPERATIONAL RANGE.—The term 'operational range' means a range that is under the jurisdiction, custody, or control of the Secretary of Defense and—

"(A) that is used for range activities, or

"(B) although not currently being used for range activities, that is still considered by the Secretary to be a range and has not been put to a new use that is incompatible with range activities.

"(4) MILITARY MUNITIONS.—(A) The term 'military munitions' means all ammunition products and components produced for or used by the armed forces for national defense and security, including ammunition products or components under the control of the Department of Defense, the Coast Guard, the Department of Energy, and the National Guard.

"(B) Such term includes the following:

"(i) Confined gaseous, liquid, and solid propellants.

"(ii) Explosives, pyrotechnics, chemical and riot control agents, smokes, and incendiaries, including bulk explosives, and chemical warfare agents.

"(iii) Chemical munitions, rockets, guided and ballistic missiles, bombs, warheads, mortar rounds, artillery ammunition, small arms ammunition, grenades, mines, torpedoes, depth charges, cluster munitions and dispensers, and demolition charges.

"(iv) Devices and components of any item specified in clauses (i) through (iii).

"(C) Such term does not include the following:

"(i) Wholly inert items.

"(ii) Improvised explosive devices.

"(iii) Nuclear weapons, nuclear devices, and nuclear components, other than nonnuclear components of nuclear devices that are managed under the nuclear weapons program of the Department of Energy after all required sanitization operations under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) have been completed.

"(5) UNEXPLODED ORDNANCE.—The term 'unexploded ordnance' means military munitions that—

"(A) have been primed, fused, armed, or otherwise prepared for action;

"(B) have been fired, dropped, launched, projected, or placed in such a manner as to constitute a hazard to operations, installations, personnel, or material; and

"(C) remain unexploded, whether by malfunction, design, or any other cause.".

(b) REFERENCES TO MILITARY MUNITIONS, ETC.—Section 2710(e) of such title is amended—

(1) by striking paragraphs (3), (5), and (9); and

(2) by redesignating paragraphs (4), (6), (7), (8), and (10) as paragraphs (3), (4), (5), (6), and (7), respectively.

SEC. 1043. ADDITIONAL DEFINITIONS FOR PURPOSES OF TITLE 10, UNITED STATES CODE.

(a) GENERAL DEFINITIONS.—Section 101(a) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

"(16) The term 'congressional defense committees' means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

"(17) The term 'base closure law' means the following:

"(A) Section 2687 of this title.

"(B) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(C) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).".

(b) REFERENCES TO CONGRESSIONAL DEFENSE COMMITTEES.—Title 10, United States Code, is further amended as follows:

(1) Section 135(e) is amended—

(A) by striking "(1)";

(B) by striking "each congressional committee specified in paragraph (2)" and inserting "each of the congressional defense committees"; and

(C) by striking paragraph (2).

(2) Section 153(c) is amended—

(A) in paragraph (1), by striking "committees of Congress named in paragraph (2)" and inserting "congressional defense committees";

(B) by striking paragraph (2); and

(C) by designating the second sentence of paragraph (1) as paragraph (2) and in that paragraph (as so designated) by striking "The report" and inserting "Each report under paragraph (1)".

(3) Section 181(d)(2) is amended—

(A) by striking "subsection:" and all that follows through "'oversight" and inserting "subsection, the term 'oversight"; and

(B) by striking subparagraph (B).

(4) Section 224 is amended by striking subsection (f).

(5) Section 228(e) is amended—

(A) by striking "DEFINITIONS" and all that follows through "(1) The term" and inserting "O&M BUDGET ACTIVITY DEFINED.—In this section, the term"; and

(B) by striking paragraph (2).

(6) Section 229 is amended by striking subsection (f).

(7) Section 1107(f)(4) is amended by striking subparagraph (C).

(8) Section 2216(j) is amended by striking paragraph (3).

(9) Section 2218(l) is amended—

(A) by striking paragraph (4); and

(B) by redesignating paragraph (5) as paragraph (4).

(10) Section 2306b(l) is amended—

(A) by striking paragraph (9); and

(B) by redesignating paragraph (10) as paragraph (9).

(11) Section 2308(e)(2) is amended—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(12) Section 2350j is amended—

(A) in subsection (e), by striking "congressional committees specified in subsection (g)" in paragraphs (1) and (3) and inserting "congressional defense committees"; and

(B) by striking subsection (g).

(13) Section 2366(e) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(14) Section 2399(h) is amended—

(A) by striking "DEFINITIONS.—" and all that follows through "(1) The term" and inserting "OPERATIONAL TEST AND EVALUATION DEFINED.—In this section, the term";

(B) by striking paragraph (2);

(C) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively; and

(D) by realigning those paragraphs (as so redesignated) so as to be indented two ems from the left margin.

(15) Section 2667(h) is amended by striking paragraph (1).

(16) Section 2801(c)(4) is amended by striking "the Committee on" the first place it appears and all that follows through "House of Representatives" and inserting "the congressional defense committees".

(c) REFERENCES TO BASE CLOSURE LAWS.—Title 10, United States Code, is further amended as follows:

(1) Section 2306c(h) is amended by striking "ADDITIONAL" and all that follows through "(2) The term" and inserting "MILITARY INSTALLATION DEFINED.—In this section, the term".

(2) Section 2490a(f) is amended—

(A) by striking "DEFINITIONS.—" and all that follows through "(1) The term" and inserting "NONAPPROPRIATED FUND INSTRUMENTALITY DEFINED.—In this section, the term"; and

(B) by striking paragraph (2).

(3) Section 2667(h), as amended by subsection (b)(15), is further amended by striking "section:" and all that follows through "(3) The term" and inserting "section, the term".

(4) Section 2696(e) is amended—

(A) by striking paragraphs (1), (2), (3), and (4) and inserting the following:

"(1) A base closure law."; and

(B) by redesignating paragraphs (5) and (6) as paragraphs (2) and (3), respectively.

(5) Section 2705 is amended by striking subsection (h).

(6) Section 2871 is amended by striking paragraph (2).

SEC. 1044. INCLUSION OF ANNUAL MILITARY CONSTRUCTION AUTHORIZATION REQUEST IN ANNUAL DEFENSE AUTHORIZATION REQUEST.

(a) Inclusion of Military Construction Request.—Section 113a(b) of title 10, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

"(3) Authority to carry out military construction projects, as required by section 2802 of this title.".

(b) Repeal of Separate Transmission of Request.—(1) Section 2859 of such title is repealed.

(2) The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2859.

SEC. 1045. TECHNICAL AND CLERICAL AMENDMENTS.

(a) Title 10, United States Code.—Title 10, United States Code, is amended as follows:

(1) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, are amended by striking "2701" in the item relating to chapter 160 and inserting "2700".

(2) Section 101(a)(9)(D) is amended by striking "Transportation" and inserting "Homeland Security".

(3) Section 1115(c)(1)(B) is amended by striking "and other than members" and inserting "(other than members".

(4) Section 2002(a)(2) is amended by striking "Foreign Service Institute" and inserting "George P. Schultz National Foreign Affairs Training Center".

(5)(A) Section 2248 is repealed.

(B) The table of sections at the beginning of subchapter I of chapter 134 is amended by striking the item relating to section 2248.

(6) Section 2432(h)(1) is amended by inserting "program" in the first sentence after "for such".

(7) Section 7305(d) is amended by inserting "such" before "title III" the second place it appears.

(b) Title 37, United States Code.—Title 37, United States Code, is amended as follows:

(1) Section 323(a) is amended by striking "1 year" in paragraphs (1) and (2) and inserting "one year".

(2) Section 402 is amended—

(A) in subsection (b)—

(i) by striking paragraph (1);

(ii) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively;

(iii) in paragraph (1) (as so redesignated), by striking "On and after January 1, 2002, the" and inserting "The"; and

(iv) in paragraph (3) (as so redesignated), by striking "paragraph (2)" and inserting "paragraph (1)"; and

(B) in subsection (d), by striking "subsection (b)(2)" and inserting "subsection (b)(1)".

(c) FLOYD D. SPENCE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2001.—The Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) is amended as follows:

(1) Section 814(g)(1) is amended by striking "the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106)" and inserting "subtitle III of title 40, United States Code".

(2) Section 1308(c) (22 U.S.C. 5959) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by redesignating the second paragraph (6) as paragraph (7).

(d) STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999.—Section 819(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2089) is amended by striking "section 201(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(c))," and inserting "section 503 of title 40, United States Code,".

(e) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997.—Section 1084(e) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2675) is amended by striking "98–515" and inserting "98–525". The amendment made by the preceding sentence shall take effect as if included in Public Law 104–201. 22 USC 1928.

(f) FEDERAL ACQUISITION STREAMLINING ACT OF 1994.—Subsection (d) of section 1004 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3253) is amended by striking "under—" and all that follows through the end of paragraph (2) and inserting "under chapter 11 of title 40, United States Code.". 10 USC 2304a note.

(g) ARMED FORCES RETIREMENT HOME ACT OF 1991.—Section 1520(b)(1)(C) of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 420(b)(1)(C)) is amended by inserting "Armed Forces" before "Retirement Home Trust Fund".

Subtitle F—Other Matters

SEC. 1051. ASSESSMENT OF EFFECTS OF SPECIFIED STATUTORY LIMITATIONS ON THE GRANTING OF SECURITY CLEARANCES.

Deadline.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives an assessment of the effects of the provisions of section 986 of title 10, United States

Code (relating to limitations on security clearances), on the granting (or renewal) of security clearances for Department of Defense personnel and defense contractor personnel. The assessment shall review the effects of the disqualification factors specified in subsection (c) of that section and shall include such recommendations for legislation or administrative steps as the Secretary considers necessary.

10 USC 2572 note.

SEC. 1052. ACQUISITION OF HISTORICAL ARTIFACTS THROUGH EXCHANGE OF OBSOLETE OR SURPLUS PROPERTY.

(a) Acquisition Authorized.—The Secretary of a military department may use the authority provided by section 2572 of title 10, United States Code, to acquire an historical artifact that directly benefits the historical collection of the Armed Forces in exchange for any obsolete or surplus property held by that military department, without regard to whether the property is described in subsection (c) of such section.

Applicability.

(b) Duration of Authority.—The authority provided by subsection (a) applies during fiscal years 2004 and 2005.

SEC. 1053. CONVEYANCE OF SURPLUS T–37 AIRCRAFT TO AIR FORCE AVIATION HERITAGE FOUNDATION, INCORPORATED.

(a) Authority to Convey.—The Secretary of the Air Force may convey to the Air Force Aviation Heritage Foundation, Incorporated, of Georgia (in this section referred to as the “Foundation”), all right, title, and interest of the United States in and to one surplus T–37 “Tweet” aircraft for the sole purpose of permitting the Foundation to use the aircraft in a static display. The conveyance shall be made by means of a conditional deed of gift.

(b) Condition of Aircraft.—(1) The Secretary may not convey the aircraft under subsection (a) until the aircraft has been demilitarized in such manner as the Secretary determines necessary to ensure that the aircraft is permanently unfit for flight and does not have any capability for use as a platform for launching or releasing munitions or any other combat capability that it was designed to have.

(2) The Foundation shall be responsible for the costs of demilitarizing the aircraft, as required by paragraph (1). Demilitarization shall be carried out in a manner intended to preserve the historical and display value of the aircraft.

(c) Conditions for Conveyance.—(1) The conveyance of a T–37 aircraft under this section shall be subject to the following conditions:

(A) That the Foundation not convey any right, title, or interest in, or transfer possession of, the aircraft to any other party without the prior approval of the Secretary of the Air Force.

(B) That the Foundation not alter the aircraft to restore it to flyable condition.

(C) That if the Secretary of the Air Force determines at any time that the Foundation has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the prior approval of the Secretary, or has failed to comply with the condition set forth in subparagraph (B), all right, title, and interest in and to the aircraft, including any repair or alteration of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(2) The Secretary shall include the conditions under paragraph (1) in the instrument of conveyance of the T–37 aircraft.

(d) CONVEYANCE AT NO COST TO THE UNITED STATES.—Any conveyance of a T–37 aircraft under this section shall be made at no cost to the United States. Any costs associated with such conveyance, costs of determining compliance by the Foundation with the conditions in subsection (b), and costs of restoration and maintenance of the aircraft conveyed shall be borne by the Foundation.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

Expiration date.

(f) DURATION OF CONVEYANCE AUTHORITY.—The authority to make the conveyance to the Foundation authorized by this section expires on September 30, 2005.

SEC. 1054. DEPARTMENT OF DEFENSE BIENNIAL STRATEGIC PLAN FOR MANAGEMENT OF ELECTROMAGNETIC SPECTRUM.

(a) REQUIREMENT FOR PLAN.—Chapter 23 of title 10, United States Code, is amended by inserting after section 487 the following new section:

“§ 488. Management of electromagnetic spectrum: biennial strategic plan

“(a) REQUIREMENT FOR STRATEGIC PLAN.—Every other year, and in time for submission to Congress under subsection (b), the Secretary of Defense shall prepare a strategic plan for the management of the electromagnetic spectrum to ensure the accessibility and efficient use of that spectrum needed to support the mission of the Department of Defense.

“(b) SUBMISSION OF PLAN TO CONGRESS.—The Secretary of Defense shall submit to Congress the strategic plan most recently prepared under subsection (a) at the same time that the President submits to Congress the budget for an even-numbered fiscal year under section 1105(a) of title 31.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 487 the following new item:

“488. Management of electromagnetic spectrum: biennial strategic plan.”.

SEC. 1055. REVISION OF DEPARTMENT OF DEFENSE DIRECTIVE RELATING TO MANAGEMENT AND USE OF RADIO FREQUENCY SPECTRUM.

Deadline.

Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall revise and reissue Department of Defense Directive 4650.1, relating to management and use of the radio frequency spectrum, last issued on June 24, 1987, to update the procedures applicable to Department of Defense management and use of the radio frequency spectrum and to ensure the consideration of requirements for usage of such spectrum by a system as early as practicable in the acquisition program for such system.

SEC. 1056. SENSE OF CONGRESS ON DEPLOYMENT OF AIRBORNE CHEMICAL AGENT MONITORING SYSTEMS AT CHEMICAL STOCKPILE DISPOSAL SITES IN THE UNITED STATES.

(a) FINDINGS.—The Congress makes the following findings:

(1) Over 23,700 tons of lethal chemical agents in assembled chemical weapons and bulk storage containers are stored and awaiting destruction at eight chemical agent disposal facilities and stockpile storage sites in the United States. Some of these weapons and storage containers contain GB or VX nerve agents, while others contain blister agents such as HD (mustard agent).

(2) Approximately 960,000 persons live in the vicinity of the eight chemical weapons disposal facilities and stockpile storage sites.

(3) Airborne-agent chemical monitoring systems are currently deployed at each of the chemical demilitarization facilities and stockpile storage sites to provide continuous and near-real-time monitoring of the presence of chemical agents.

(4) The National Research Council has determined that monitoring levels used at the demilitarization facilities are very conservative and highly protective of workers and public health and safety and that the conservative monitoring levels are a contributing factor in false positive alarms.

(5) The National Research Council has expressed repeated concern about relatively frequent false positive alarms and the lack of real-time monitoring for airborne agents and has noted the poor state of agent monitoring technology for liquid waste streams and solid materials suspected of possible agent contamination.

(6) The National Research Council has concluded that, although the Program Manager for Chemical Demilitarization has made some efforts to develop better agent-monitoring technology, results to date have been disappointing.

(7) The National Research Council has concluded that development and deployment of airborne-agent monitors with shorter response time and lower false alarm rates would enhance safety and reduce the tendency to discount agent alarms, and has recommended that the Program Manager for Chemical Demilitarization and the relevant Department of Defense research and development agencies should invigorate and coordinate efforts to develop chemical agent monitors with improved sensitivity, specificity, and response time.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of the Army—

(1) should, in coordination with relevant Department of Defense research and development agencies, invigorate and coordinate efforts to develop chemical agent monitors with improved sensitivity, specificity, and response time; and

(2) should deploy improved chemical agent monitors in order to ensure the maximum protection of the general public, personnel involved in the chemical demilitarization program, and the environment.

SEC. 1057. EXPANSION OF PRE-SEPTEMBER 11, 2001, FIRE GRANT PROGRAM OF UNITED STATES FIRE ADMINISTRATION.

The Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.) is amended by redesignating the second section 33 and section 34 as sections 35 and 36, respectively, and by inserting after the first section 33 the following new section: 15 USC 2230, 2231.

"SEC. 34. EXPANSION OF PRE-SEPTEMBER 11, 2001, FIRE GRANT PROGRAM. 15 USC 2229a.

"(a) EXPANDED AUTHORITY TO MAKE GRANTS.—

"(1) HIRING GRANTS.—(A) The Administrator shall make grants directly to career, volunteer, and combination fire departments, in consultation with the chief executive of the State in which the applicant is located, for the purpose of increasing the number of firefighters to help communities meet industry minimum standards and attain 24-hour staffing to provide adequate protection from fire and fire-related hazards, and to fulfill traditional missions of fire departments that antedate the creation of the Department of Homeland Security.

"(B)(i) Grants made under this paragraph shall be for 4 years and be used for programs to hire new, additional firefighters.

"(ii) Grantees are required to commit to retaining for at least 1 year beyond the termination of their grants those firefighters hired under this paragraph.

"(C) In awarding grants under this subsection, the Administrator may give preferential consideration to applications that involve a non-Federal contribution exceeding the minimums under subparagraph (E).

"(D) The Administrator may provide technical assistance to States, units of local government, Indian tribal governments, and to other public entities, in furtherance of the purposes of this section.

"(E) The portion of the costs of hiring firefighters provided by a grant under this paragraph may not exceed—

"(i) 90 percent in the first year of the grant;

"(ii) 80 percent in the second year of the grant;

"(iii) 50 percent in the third year of the grant; and

"(iv) 30 percent in the fourth year of the grant.

"(F) Notwithstanding any other provision of law, any firefighter hired with funds provided under this subsection shall not be discriminated against for, or be prohibited from, engaging in volunteer activities in another jurisdiction during off-duty hours.

"(G) All grants made pursuant to this subsection shall be awarded on a competitive basis through a neutral peer review process.

"(H) At the beginning of the fiscal year, the Administrator shall set aside 10 percent of the funds appropriated for carrying out this paragraph for departments with majority volunteer or all volunteer personnel. After awards have been made, if less than 10 percent of the funds appropriated for carrying out this paragraph are not awarded to departments with majority volunteer or all volunteer personnel, the Administrator shall transfer from funds appropriated for carrying out this paragraph to funds available for carrying out paragraph (2) an amount equal to the difference between the amount that is provided to such fire departments and 10 percent.

"(2) RECRUITMENT AND RETENTION GRANTS.—In addition to any amounts transferred under paragraph (1)(H), the Administrator shall direct at least 10 percent of the total amount of funds appropriated pursuant to this section annually to a competitive grant program for the recruitment and retention of volunteer firefighters who are involved with or trained in the operations of firefighting and emergency response. Eligible entities shall include volunteer or combination fire departments, and organizations on a local or statewide basis that represent the interests of volunteer firefighters.

"(b) APPLICATIONS.—(1) No grant may be made under this section unless an application has been submitted to, and approved by, the Administrator.

"(2) An application for a grant under this section shall be submitted in such form, and contain such information, as the Administrator may prescribe.

"(3) At a minimum, each application for a grant under this section shall—

"(A) explain the applicant's inability to address the need without Federal assistance;

"(B) in the case of a grant under subsection (a)(1), explain how the applicant plans to meet the requirements of subsection (a)(1)(B)(ii) and (F);

"(C) specify long-term plans for retaining firefighters following the conclusion of Federal support provided under this section; and

"(D) provide assurances that the applicant will, to the extent practicable, seek, recruit, and hire members of racial and ethnic minority groups and women in order to increase their ranks within firefighting.

"(c) LIMITATION ON USE OF FUNDS.—(1) Funds made available under this section to fire departments for salaries and benefits to hire new, additional firefighters shall not be used to supplant State or local funds, or, in the case of Indian tribal governments, funds supplied by the Bureau of Indian Affairs, but shall be used to increase the amount of funds that would, in the absence of Federal funds received under this section, be made available from State or local sources, or in the case of Indian tribal governments, from funds supplied by the Bureau of Indian Affairs.

"(2) No grant shall be awarded pursuant to this section to a municipality or other recipient whose annual budget at the time of the application for fire-related programs and emergency response has been reduced below 80 percent of the average funding level in the 3 years prior to the date of enactment of this section.

"(3) Funds appropriated by the Congress for the activities of any agency of an Indian tribal government or the Bureau of Indian Affairs performing firefighting functions on any Indian lands may be used to provide the non-Federal share of the cost of programs or projects funded under this section.

"(4)(A) Total funding provided under this section over 4 years for hiring a firefighter may not exceed $100,000.

"(B) The $100,000 cap shall be adjusted annually for inflation beginning in fiscal year 2005.

"(d) PERFORMANCE EVALUATION.—The Administrator may require a grant recipient to submit any information the Administrator considers reasonably necessary to evaluate the program.

"(e) SUNSET AND REPORTS.—The authority under this section to make grants shall lapse at the conclusion of 10 years from the date of enactment of this section. Not later than 6 years after the date of the enactment of this section, the Administrator shall

Deadline.

submit a report to Congress concerning the experience with, and effectiveness of, such grants in meeting the objectives of this section. The report may include any recommendations the Administrator may have for amendments to this section and related provisions of law.

"(f) REVOCATION OR SUSPENSION OF FUNDING.—If the Administrator determines that a grant recipient under this section is not in substantial compliance with the terms and requirements of an approved grant application submitted under this section, the Administrator may revoke or suspend funding of that grant, in whole or in part.

"(g) ACCESS TO DOCUMENTS.—(1) The Administrator shall have access for the purpose of audit and examination to any pertinent books, documents, papers, or records of a grant recipient under this section and to the pertinent books, documents, papers, or records of State and local governments, persons, businesses, and other entities that are involved in programs, projects, or activities for which assistance is provided under this section.

Applicability.

"(2) Paragraph (1) shall apply with respect to audits and examinations conducted by the Comptroller General of the United States or by an authorized representative of the Comptroller General.

"(h) DEFINITIONS.—In this section, the term—

"(1) 'firefighter' has the meaning given the term 'employee in fire protection activities' under section 3(y) of the Fair Labor Standards Act (29 U.S.C. 203(y)); and

"(2) 'Indian tribe' means a tribe, band, pueblo, nation, or other organized group or community of Indians, including an Alaska Native village (as defined in or established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out this section—

"(1) $1,000,000,000 for fiscal year 2004;
"(2) $1,030,000,000 for fiscal year 2005;
"(3) $1,061,000,000 for fiscal year 2006;
"(4) $1,093,000,000 for fiscal year 2007;
"(5) $1,126,000,000 for fiscal year 2008;
"(6) $1,159,000,000 for fiscal year 2009; and
"(7) $1,194,000,000 for fiscal year 2010.".

31 USC 1535 note.

SEC. 1058. REVIEW AND ENHANCEMENT OF EXISTING AUTHORITIES FOR USING AIR FORCE AND AIR NATIONAL GUARD MODULAR AIRBORNE FIRE-FIGHTING SYSTEMS AND OTHER DEPARTMENT OF DEFENSE ASSETS TO FIGHT WILDFIRES.

(a) REVIEW REQUIRED.—The Director of the Office of Management and Budget shall conduct a review of existing authorities regarding the use of Air Force and Air National Guard Modular Airborne Fire-Fighting Systems units and other Department of Defense assets to fight wildfires to ensure that, in accordance with applicable legal requirements, such assets are available in the most expeditious manner to fight wildfires on Federal lands or non-Federal lands at the request of a Federal agency or State government. In conducting the review, the Director shall specifically consider—

(1) any adverse impact caused by the restrictions contained in section 1535(a)(4) of title 31, United States Code, or caused by the interpretation of such restrictions, on the ability of the Forest Service and other Federal agencies to procure such firefighting services; and

(2) whether the authorities under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), including section 403(c) of such Act (42 U.S.C. 5170b), are being properly utilized to facilitate an expeditious Department of Defense response to State requests under, and consistent with, such Act for firefighting services.

(b) DETERMINATION REQUIRED.—On the basis of the review, the Director shall make a determination regarding whether existing authorities are being used in a manner consistent with using the available capabilities of Department of Defense assets to fight wildfires in the most expeditious and efficacious way to minimize the risk to public safety.

(c) EXPEDITED ECONOMY ACT REVIEW PROCESS.—If the Director determines under subsection (b) that existing authorities are adequate for the deployment of Department of Defense assets to fight wildfires, the Director shall develop and implement, subject to subsection (f), such modifications to the process for conducting the cost comparison required by section 1535(a)(4) of title 31, United States Code, as the Director considers appropriate to further expedite the procurement of such firefighting services.

(d) DEVELOPMENT AND IMPLEMENTATION OF REVISED POLICIES.—If the Director determines under subsection (b) that the existing authorities or their use is inadequate or can be improved, the Director shall develop and implement, subject to subsection (f), such regulations, policies, and interagency procedures as may be necessary to improve the ability of the Department of Defense to respond to a request by a Federal agency or State government to assist in fighting wildfires on Federal lands or non-Federal lands under section 1535(a) of title 31, United States Code, or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), or both.

Deadline.

(e) REPORTING REQUIREMENT.—Not later than 120 days after the date of the enactment of this Act, the Director shall transmit to Congress a report—

(1) containing the results of the review conducted under subsection (a) and the determination made under subsection (b); and

(2) based on such determination, describing the modifications proposed to be made to existing authorities under subsection (c) or (d), including whether there is a need for legislative changes to further improve the procedures for using Department of Defense assets to fight wildfires.

(f) DELAYED IMPLEMENTATION.—The modifications described in the report prepared under subsection (e) to be made to existing authorities under subsection (c) or (d) shall not take effect until the end of the 30-day period beginning on the date on which the report is transmitted to Congress.

TITLE XI—CIVILIAN PERSONNEL MATTERS

Subtitle A—Department of Defense National Security Personnel System

Sec. 1101. Department of Defense national security personnel system.

Subtitle B—Department of Defense Civilian Personnel Generally

Sec. 1111. Pilot program for improved civilian personnel management.
Sec. 1112. Clarification and revision of authority for demonstration project relating to certain acquisition personnel management policies and procedures.
Sec. 1113. Military leave for mobilized Federal civilian employees.
Sec. 1114. Restoration of annual leave for certain Department of Defense employees.
Sec. 1115. Authority to employ civilian faculty members at the Western Hemisphere Institute for Security Cooperation.
Sec. 1116. Extension of authority for experimental personnel program for scientific and technical personnel.

Subtitle C—Other Federal Government Civilian Personnel Matters

Sec. 1121. Modification of the overtime pay cap.
Sec. 1122. Common occupational and health standards for differential payments as a consequence of exposure to asbestos.
Sec. 1123. Increase in annual student loan repayment authority.
Sec. 1124. Authorization for cabinet secretaries, secretaries of military departments, and heads of executive agencies to be paid on a biweekly basis.
Sec. 1125. Senior Executive Service and performance.
Sec. 1126. Design elements of pay-for-performance systems in demonstration projects.
Sec. 1127. Federal flexible benefits plan administrative costs.
Sec. 1128. Employee surveys.
Sec. 1129. Human capital performance fund.

Subtitle A—Department of Defense National Security Personnel System

SEC. 1101. DEPARTMENT OF DEFENSE NATIONAL SECURITY PERSONNEL SYSTEM.

(a) In General.—(1) Subpart I of part III of title 5, United States Code, is amended by adding at the end the following new chapter:

“CHAPTER 99—DEPARTMENT OF DEFENSE NATIONAL SECURITY PERSONNEL SYSTEM

“Sec.
“9901. Definitions.
“9902. Establishment of human resources management system.
“9903. Attracting highly qualified experts.
“9904. Special pay and benefits for certain employees outside the United States.

“§ 9901. Definitions

“For purposes of this chapter—

“(1) the term ‘Director’ means the Director of the Office of Personnel Management; and

“(2) the term ‘Secretary’ means the Secretary of Defense.

“§ 9902. Establishment of human resources management system

“(a) In General.—Notwithstanding any other provision of this part, the Secretary may, in regulations prescribed jointly with the

Director, establish, and from time to time adjust, a human resources management system for some or all of the organizational or functional units of the Department of Defense. The human resources management system established under authority of this section shall be referred to as the 'National Security Personnel System'.

"(b) SYSTEM REQUIREMENTS.—Any system established under subsection (a) shall—

"(1) be flexible;

"(2) be contemporary;

"(3) not waive, modify, or otherwise affect—

"(A) the public employment principles of merit and fitness set forth in section 2301, including the principles of hiring based on merit, fair treatment without regard to political affiliation or other nonmerit considerations, equal pay for equal work, and protection of employees against reprisal for whistleblowing;

"(B) any provision of section 2302, relating to prohibited personnel practices;

"(C)(i) any provision of law referred to in section 2302(b)(1), (8), and (9); or

"(ii) any provision of law implementing any provision of law referred to in section 2302(b)(1), (8), and (9) by—

"(I) providing for equal employment opportunity through affirmative action; or

"(II) providing any right or remedy available to any employee or applicant for employment in the public service;

"(D) any other provision of this part (as described in subsection (d)); or

"(E) any rule or regulation prescribed under any provision of law referred to in this paragraph;

"(4) ensure that employees may organize, bargain collectively as provided for in this chapter, and participate through labor organizations of their own choosing in decisions which affect them, subject to the provisions of this chapter and any exclusion from coverage or limitation on negotiability established pursuant to law;

"(5) not be limited by any specific law or authority under this title, or by any rule or regulation prescribed under this title, that is waived in regulations prescribed under this chapter, subject to paragraph (3); and

"(6) include a performance management system that incorporates the following elements:

"(A) Adherence to merit principles set forth in section 2301.

"(B) A fair, credible, and transparent employee performance appraisal system.

"(C) A link between the performance management system and the agency's strategic plan.

"(D) A means for ensuring employee involvement in the design and implementation of the system.

"(E) Adequate training and retraining for supervisors, managers, and employees in the implementation and operation of the performance management system.

"(F) A process for ensuring ongoing performance feedback and dialogue between supervisors, managers, and employees throughout the appraisal period, and setting timetables for review.

"(G) Effective safeguards to ensure that the management of the system is fair and equitable and based on employee performance.

"(H) A means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the performance management system.

"(I) A pay-for-performance evaluation system to better link individual pay to performance, and provide an equitable method for appraising and compensating employees.

"(c) PERSONNEL MANAGEMENT AT DEFENSE LABORATORIES.—(1) The National Security Personnel System shall not apply with respect to a laboratory under paragraph (2) before October 1, 2008, and shall apply on or after October 1, 2008, only to the extent that the Secretary determines that the flexibilities provided by the National Security Personnel System are greater than the flexibilities provided to those laboratories pursuant to section 342 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721) and section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note), respectively.

"(2) The laboratories to which this subsection applies are—

"(A) the Aviation and Missile Research Development and Engineering Center;

"(B) the Army Research Laboratory;

"(C) the Medical Research and Materiel Command;

"(D) the Engineer Research and Development Command;

"(E) the Communications-Electronics Command;

"(F) the Soldier and Biological Chemical Command;

"(G) the Naval Sea Systems Command Centers;

"(H) the Naval Research Laboratory;

"(I) the Office of Naval Research; and

"(J) the Air Force Research Laboratory.

"(d) OTHER NONWAIVABLE PROVISIONS.—The other provisions of this part referred to in subsection (b)(3)(D) are (to the extent not otherwise specified in this title)—

"(1) subparts A, B, E, G, and H of this part; and

"(2) chapters 41, 45, 47, 55 (except subchapter V thereof, apart from section 5545b), 57, 59, 71, 72, 73, and 79, and this chapter.

"(e) LIMITATIONS RELATING TO PAY.—(1) Nothing in this section shall constitute authority to modify the pay of any employee who serves in an Executive Schedule position under subchapter II of chapter 53.

"(2) Except as provided for in paragraph (1), the total amount in a calendar year of allowances, differentials, bonuses, awards, or other similar cash payments paid under this title to any employee who is paid under section 5376 or 5383 or under title 10 or under other comparable pay authority established for payment of Department of Defense senior executive or equivalent employees may not exceed the total annual compensation payable to the Vice President under section 104 of title 3.

"(3) To the maximum extent practicable, the rates of compensation for civilian employees at the Department of Defense shall be adjusted at the same rate, and in the same proportion, as are rates of compensation for members of the uniformed services.

"(4) To the maximum extent practicable, for fiscal years 2004 through 2008, the overall amount allocated for compensation of the civilian employees of an organizational or functional unit of the Department of Defense that is included in the National Security Personnel System shall not be less than the amount that would have been allocated for compensation of such employees for such fiscal year if they had not been converted to the National Security Personnel System, based on, at a minimum—

"(A) the number and mix of employees in such organizational or functional unit prior to the conversion of such employees to the National Security Personnel System; and

"(B) adjusted for normal step increases and rates of promotion that would have been expected, had such employees remained in their previous pay schedule.

"(5) To the maximum extent practicable, the regulations implementing the National Security Personnel System shall provide a formula for calculating the overall amount to be allocated for fiscal years after fiscal year 2008 for compensation of the civilian employees of an organization or functional unit of the Department of Defense that is included in the National Security Personnel System. The formula shall ensure that in the aggregate, employees are not disadvantaged in terms of the overall amount of pay available as a result of conversion to the National Security Personnel System, while providing flexibility to accommodate changes in the function of the organization, changes in the mix of employees performing those functions, and other changed circumstances that might impact pay levels.

"(f) PROVISIONS TO ENSURE COLLABORATION WITH EMPLOYEE REPRESENTATIVES.—(1) In order to ensure that the authority of this section is exercised in collaboration with, and in a manner that ensures the participation of, employee representatives in the planning, development, and implementation of the National Security Personnel System, the Secretary and the Director shall provide for the following:

"(A) The Secretary and the Director shall, with respect to any proposed system—

"(i) provide to the employee representatives representing any employees who might be affected a written description of the proposed system or adjustment (including the reasons why it is considered necessary);

"(ii) give such representatives at least 30 calendar days (unless extraordinary circumstances require earlier action) to review and make recommendations with respect to the proposal; and

"(iii) give any recommendations received from such representatives under clause (ii) full and fair consideration in deciding whether or how to proceed with the proposal.

"(B) Following receipt of recommendations, if any, from such employee representatives with respect to a proposal described in subparagraph (A), the Secretary and the Director shall accept such modifications to the proposal in response to the recommendations as they determine advisable and shall, with respect to any parts of the proposal as to which they have not accepted the recommendations—

Notification.

"(i) notify Congress of those parts of the proposal, together with the recommendations of the employee representatives;

"(ii) meet and confer for not less than 30 calendar days with the employee representatives, in order to attempt to reach agreement on whether or how to proceed with those parts of the proposal; and

"(iii) at the Secretary's option, or if requested by a majority of the employee representatives participating, use the services of the Federal Mediation and Conciliation Service during such meet and confer period to facilitate the process of attempting to reach agreement.

"(C)(i) Any part of the proposal as to which the representatives do not make a recommendation, or as to which the recommendations are accepted by the Secretary and the Director, may be implemented immediately.

"(ii) With respect to any parts of the proposal as to which recommendations have been made but not accepted by the Secretary and the Director, at any time after 30 calendar days have elapsed since the initiation of the congressional notification, consultation, and mediation procedures set forth in subparagraph (B), if the Secretary, in his discretion, determines that further consultation and mediation is unlikely to produce agreement, the Secretary may implement any or all of such parts (including any modifications made in response to the recommendations as the Secretary determines advisable), but only after 30 days have elapsed after notifying Congress of the decision to implement the part or parts involved (as so modified, if applicable).

Notification.

"(iii) The Secretary shall notify Congress promptly of the implementation of any part of the proposal and shall furnish with such notice an explanation of the proposal, any changes made to the proposal as a result of recommendations from the employee representatives, and of the reasons why implementation is appropriate under this subparagraph.

"(D) If a proposal described in subparagraph (A) is implemented, the Secretary and the Director shall—

"(i) develop a method for the employee representatives to participate in any further planning or development which might become necessary; and

"(ii) give the employee representatives adequate access to information to make that participation productive.

"(2) The Secretary may, at the Secretary's discretion, engage in any and all collaboration activities described in this subsection at an organizational level above the level of exclusive recognition.

"(3) In the case of any employees who are not within a unit with respect to which a labor organization is accorded exclusive recognition, the Secretary and the Director may develop procedures for representation by any appropriate organization which represents a substantial percentage of those employees or, if none, in such other manner as may be appropriate, consistent with the purposes of this subsection.

"(4) The procedures under this subsection are the exclusive procedures for the participation of employee representatives in the planning, development, implementation, or adjustment of the National Security Personnel System.

"(g) PROVISIONS REGARDING NATIONAL LEVEL BARGAINING.—(1) The National Security Personnel System implemented or modified under this chapter may include employees of the Department of Defense from any bargaining unit with respect to which a labor organization has been accorded exclusive recognition under chapter 71.

"(2) For any bargaining unit so included under paragraph (1), the Secretary may bargain with a labor organization at an organizational level above the level of exclusive recognition. The decision to bargain at a level above the level of exclusive recognition shall not be subject to review or to statutory third-party dispute resolution procedures outside the Department of Defense. Any such bargaining shall—

"(A) be binding on all subordinate bargaining units of the labor organization at the level of recognition and their exclusive representatives, and the Department of Defense and its subcomponents, without regard to levels of recognition;

"(B) supersede all other collective bargaining agreements of the labor organization, including collective bargaining agreements negotiated with an exclusive representative at the level of recognition, except as otherwise determined by the Secretary;

"(C) not be subject to further negotiations with the labor organizations for any purpose, including bargaining at the level of recognition, except as provided for by the Secretary; and

"(D) be subject to review by an independent third party only to the extent provided and pursuant to procedures established under paragraph (6) of subsection (m).

"(3) The National Guard Bureau and the Army and Air Force National Guard are excluded from coverage under this subsection.

"(4) Any bargaining completed pursuant to this subsection with a labor organization not otherwise having national consultation rights with the Department of Defense or its subcomponents shall not create any obligation on the Department of Defense or its subcomponents to confer national consultation rights on such a labor organization.

"(h) PROVISIONS RELATING TO APPELLATE PROCEDURES.—(1) The Secretary—

"(A) may establish an appeals process that provides employees of the Department of Defense organizational and functional units that are included in the National Security Personnel System fair treatment in any appeals that they bring in decisions relating to their employment; and

"(B) shall in prescribing regulations for any such appeals process—

"(i) ensure that employees in the National Security Personnel System are afforded the protections of due process; and

"(ii) toward that end, be required to consult with the Merit Systems Protection Board before issuing any such regulations.

"(2) Regulations implementing the appeals process may establish legal standards and procedures for personnel actions, including standards for applicable relief, to be taken on the basis of employee misconduct or performance that fails to meet expectations. Such standards shall be consistent with the public employment principles of merit and fitness set forth in section 2301.

"(3) Legal standards and precedents applied before the effective date of this section by the Merit Systems Protection Board and the courts under chapters 43, 75, and 77 of this title shall apply to employees of organizational and functional units included in the National Security Personnel System, unless such standards and precedents are inconsistent with legal standards established under this subsection.

“(4) An employee who—

“(A) is removed, suspended for more than 14 days, furloughed for 30 days or less, reduced in pay, or reduced in pay band (or comparable reduction) by a final decision under the appeals process established under paragraph (1);

“(B) is not serving under probationary period as defined under regulations established under paragraph (2); and

“(C) would otherwise be eligible to appeal a performance-based or adverse action under chapter 43 or 75, as applicable, to the Merit Systems Protection Board,

shall have the right to petition the full Merit Systems Protection Board for review of the record of that decision pursuant to regulations established under paragraph (2). The Board may dismiss any petition that, in the view of the Board, does not raise substantial questions of fact or law. No personnel action shall be stayed and no interim relief shall be granted during the pendency of the Board’s review unless specifically ordered by the Board.

“(5) The Board may order such corrective action as the Board considers appropriate only if the Board determines that the decision was—

“(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

“(B) obtained without procedures required by law, rule, or regulation having been followed; or

“(C) unsupported by substantial evidence.

“(6) An employee who is adversely affected by a final order or decision of the Board may obtain judicial review of the order or decision as provided in section 7703. The Secretary of Defense, after notifying the Director, may obtain judicial review of any final order or decision of the Board under the same terms and conditions as provided an employee.

“(7) Nothing in this subsection shall be construed to authorize the waiver of any provision of law, including an appeals provision providing a right or remedy under section 2302(b) (1), (8) or (9), that is not otherwise waivable under subsection (a).

“(8) The right of an employee to petition the Merit Systems Protection Board of the Department’s final decision on an action covered by paragraph (4) of this subsection, and the right of the Merit Systems Protection Board to review such action or to order corrective action pursuant to paragraph (5), is provisional for 7 years after the date of the enactment of this chapter, and shall become permanent unless Congress acts to revise such provisions.

“(i) PROVISIONS RELATED TO SEPARATION AND RETIREMENT INCENTIVES.—(1) The Secretary may establish a program within the Department of Defense under which employees may be eligible for early retirement, offered separation incentive pay to separate from service voluntarily, or both. This authority may be used to reduce the number of personnel employed by the Department of Defense or to restructure the workforce to meet mission objectives without reducing the overall number of personnel. This authority is in addition to, and notwithstanding, any other authorities established by law or regulation for such programs.

“(2)(A) The Secretary may not authorize the payment of voluntary separation incentive pay under paragraph (1) to more than 25,000 employees in any fiscal year, except that employees who receive voluntary separation incentive pay as a result of a closure or realignment of a military installation under the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) shall not be included in that number.

"(B) The Secretary shall prepare a report each fiscal year setting forth the number of employees who received such pay as a result of a closure or realignment of a military base as described under subparagraph (A).

Reports.

"(C) The Secretary shall submit the report under subparagraph (B) to the Committee on Armed Services and the Committee on Governmental Affairs of the Senate, and the Committee on Armed Services and the Committee on Government Reform of the House of Representatives.

"(3) For purposes of this section, the term 'employee' means an employee of the Department of Defense, serving under an appointment without time limitation, except that such term does not include—

"(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84, or another retirement system for employees of the Federal Government;

"(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under any of the retirement systems referred to in subparagraph (A); or

"(C) for purposes of eligibility for separation incentives under this section, an employee who is in receipt of a decision notice of involuntary separation for misconduct or unacceptable performance.

"(4) An employee who is at least 50 years of age and has completed 20 years of service, or has at least 25 years of service, may, pursuant to regulations promulgated under this section, apply and be retired from the Department of Defense and receive benefits in accordance with chapter 83 or 84 if the employee has been employed continuously within the Department of Defense for more than 30 days before the date on which the determination to conduct a reduction or restructuring within 1 or more Department of Defense components is approved.

"(5)(A) Separation pay shall be paid in a lump sum or in installments and shall be equal to the lesser of—

"(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c), if the employee were entitled to payment under such section; or

"(ii) $25,000.

"(B) Separation pay shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit. Separation pay shall not be taken into account for the purpose of determining the amount of any severance pay to which an individual may be entitled under section 5595, based on any other separation.

"(C) Separation pay, if paid in installments, shall cease to be paid upon the recipient's acceptance of employment by the Federal Government, or commencement of work under a personal services contract as described in paragraph (6).

"(6)(A) An employee who receives separation pay under such program may not be reemployed by the Department of Defense for a 12-month period beginning on the effective date of the employee's separation, unless this prohibition is waived by the Secretary on a case-by-case basis.

"(B) An employee who receives separation pay under this section on the basis of a separation occurring on or after the date of the enactment of the Federal Workforce Restructuring Act of 1994 (Public Law 103–236; 108 Stat. 111) and accepts employment with the Government of the United States, or who commences work through a personal services contract with the United States within 5 years after the date of the separation on which payment of the separation pay is based, shall be required to repay the entire amount of the separation pay to the Department of Defense. If the employment is with an Executive agency (as defined by section 105) other than the Department of Defense, the Director may, at the request of the head of that agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position. If the employment is within the Department of Defense, the Secretary may waive the repayment if the individual involved is the only qualified applicant available for the position. If the employment is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position. If the employment is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

"(7) Under this program, early retirement and separation pay may be offered only pursuant to regulations established by the Secretary, subject to such limitations or conditions as the Secretary may require.

"(j) PROVISIONS RELATING TO REEMPLOYMENT.—If an annuitant receiving an annuity from the Civil Service Retirement and Disability Fund becomes employed in a position within the Department of Defense, his annuity shall continue. An annuitant so reemployed shall not be considered an employee for purposes of chapter 83 or 84.

"(k) ADDITIONAL PROVISIONS RELATING TO PERSONNEL MANAGEMENT.—(1) Notwithstanding subsection (d), the Secretary of Defense, in establishing and implementing the National Security Personnel System under subsection (a), shall not be limited by any provision of this title or any rule or regulation prescribed under this title in establishing and implementing regulations relating to—

"(A) the methods of establishing qualification requirements for, recruitment for, and appointments to positions;

"(B) the methods of assigning, reassigning, detailing, transferring, or promoting employees; and

"(C) the methods of reducing overall agency staff and grade levels, except that performance, veterans' preference, tenure of employment, length of service, and such other factors as the Secretary considers necessary and appropriate shall be considered in decisions to realign or reorganize the Department's workforce.

"(2) In implementing this subsection, the Secretary shall comply with the provisions of section 2302(b)(11), regarding veterans' preference requirements, as provided for in subsection (b)(3).

"(l) PHASE-IN.—The Secretary may apply the National Security Personnel System—

"(1) to an organizational or functional unit that includes up to 300,000 civilian employees of the Department of Defense, without having to make a determination described in paragraph (2); and

"(2) to an organizational or functional unit that includes more than 300,000 civilian employees of the Department of Defense, if the Secretary determines in accordance with subsection (a) that the Department has in place a performance management system that meets the criteria specified in subsection (b).

"(m) LABOR MANAGEMENT RELATIONS IN THE DEPARTMENT OF DEFENSE.—(1) Notwithstanding section 9902(d)(2), the Secretary, together with the Director, may establish and from time to time adjust a labor relations system for the Department of Defense to address the unique role that the Department's civilian workforce plays in supporting the Department's national security mission.

"(2) The system developed or adjusted under paragraph (1) would allow for a collaborative issue-based approach to labor management relations.

"(3) In order to ensure that the authority of this section is exercised in collaboration with, and in a manner that ensures the participation of, employee representatives in the development and implementation of the labor management relations system or adjustments to such system under this section, the Secretary shall provide for the following:

"(A) The Secretary and the Director shall, with respect to any proposed system or adjustment—

"(i) afford employee representatives and management the opportunity to have meaningful discussions concerning the development of the new system;

"(ii) give such representatives at least 30 calendar days (unless extraordinary circumstances require earlier action) to review the proposal for the system and make recommendations with respect to it; and

"(iii) give any recommendations received from such representatives under clause (ii) full and fair consideration.

"(B) Following receipt of recommendations, if any, from such employee representatives with respect to a proposal described in subparagraph (A), the Secretary and the Director shall accept such modifications to the proposal in response to the recommendations as are determined advisable and shall, with respect to any parts of the proposal as to which they have not accepted the recommendations—

"(i) meet and confer for not less than 30 calendar days with the employee representatives, in order to attempt to reach agreement on whether or how to proceed with those parts of the proposal; and

"(ii) at the Secretary's option, or if requested by a majority of the employee representatives participating, use the services of the Federal Mediation and Conciliation Service during such meet and confer period to facilitate the process of attempting to reach agreement.

"(C)(i) Any part of the proposal described in subparagraph (A) as to which employee representatives do not make a recommendation, or as to which the recommendations are accepted under subparagraph (B), may be implemented immediately.

"(ii) With respect to any parts of the proposal as to which recommendations have been made but not accepted, at any time after 30 calendar days have elapsed since the consultation and mediation procedures set forth in subparagraph (B), if the Secretary, in his discretion, determines that further consultation and mediation is unlikely to produce agreement, the Secretary may implement any or all of such parts (including any modifications made in response to the recommendations as the Secretary determines advisable), but only after 30 days have elapsed after notifying Congress of the decision to implement the part or parts involved (as so modified, if applicable).

Deadline.

"(D) The process for collaborating with employee representatives provided for under this subsection shall begin no later than 60 calendar days after the date of enactment of this subsection.

"(4) The Secretary may engage in any and all collaboration activities described in this subsection at an organizational level above the level of exclusive recognition.

"(5) The system developed or adjusted under this subsection may incorporate the authority to bargain at a level above the level of exclusion recognition provided for in subsection (g) of this section, but may not abrogate or modify the authority provided for in that subsection. Notwithstanding this subsection, the Secretary may, at his discretion, implement the authority in subsection (g) immediately upon enactment of this subsection.

"(6) The labor relations system developed or adjusted under this subsection shall provide for independent third party review of decisions, including defining what decisions are reviewable by the third party, what third party would conduct the review, and the standard or standards for that review.

"(7) Nothing in this section, including the authority provided to waive, modify, or otherwise affect provisions of law not listed in subsections (b) and (c) as nonwaivable, shall be construed to expand the scope of bargaining under chapter 71 or this subsection with respect to any provision of this title that may be waived, modified, or otherwise affected under this section.

"(8) The labor relations system developed or adjusted under this subsection shall be binding on all bargaining units within the Department of Defense, all employee representatives of such units, and the Department of Defense and its subcomponents, and shall supersede all other collective bargaining agreements for bargaining units in the Department of Defense, including collective bargaining agreements negotiated with employee representatives at the level of recognition, except as otherwise determined by the Secretary.

"(9) Unless it is extended or otherwise provided for in law, the authority to establish, implement and adjust the labor relations system developed under this subsection shall expire six years after the date of enactment of this subsection, at which time the provisions of chapter 71 will apply.

“§ 9903. Attracting highly qualified experts

“(a) IN GENERAL.—The Secretary may carry out a program using the authority provided in subsection (b) in order to attract highly qualified experts in needed occupations, as determined by the Secretary.

“(b) AUTHORITY.—Under the program, the Secretary may—

“(1) appoint personnel from outside the civil service and uniformed services (as such terms are defined in section 2101) to positions in the Department of Defense without regard to any provision of this title governing the appointment of employees to positions in the Department of Defense;

“(2) prescribe the rates of basic pay for positions to which employees are appointed under paragraph (1) at rates not in excess of the maximum rate of basic pay authorized for senior-level positions under section 5376, as increased by locality-based comparability payments under section 5304, notwithstanding any provision of this title governing the rates of pay or classification of employees in the executive branch; and

“(3) pay any employee appointed under paragraph (1) payments in addition to basic pay within the limits applicable to the employee under subsection (d).

“(c) LIMITATION ON TERM OF APPOINTMENT.—(1) Except as provided in paragraph (2), the service of an employee under an appointment made pursuant to this section may not exceed 5 years.

“(2) The Secretary may, in the case of a particular employee, extend the period to which service is limited under paragraph (1) by up to 1 additional year if the Secretary determines that such action is necessary to promote the Department of Defense's national security missions.

“(d) LIMITATIONS ON ADDITIONAL PAYMENTS.—(1) The total amount of the additional payments paid to an employee under this section for any 12-month period may not exceed the lesser of the following amounts:

“(A) $50,000 in fiscal year 2004, which may be adjusted annually thereafter by the Secretary, with a percentage increase equal to one-half of 1 percentage point less than the percentage by which the Employment Cost Index, published quarterly by the Bureau of Labor Statistics, for the base quarter of the year before the preceding calendar year exceeds the Employment Cost Index for the base quarter of the second year before the preceding calendar year.

“(B) The amount equal to 50 percent of the employee's annual rate of basic pay.

For purposes of this paragraph, the term ‘base quarter’ has the meaning given such term by section 5302(3).

“(2) An employee appointed under this section is not eligible for any bonus, monetary award, or other monetary incentive for service except for payments authorized under this section.

“(3) Notwithstanding any other provision of this subsection or of section 5307, no additional payments may be paid to an employee under this section in any calendar year if, or to the extent that, the employee's total annual compensation will exceed the maximum amount of total annual compensation payable at the salary set in accordance with section 104 of title 3.

“(e) LIMITATION ON NUMBER OF HIGHLY QUALIFIED EXPERTS.—The number of highly qualified experts appointed and retained by the Secretary under subsection (b)(1) shall not exceed 2,500 at any time.

"(f) SAVINGS PROVISIONS.—In the event that the Secretary terminates this program, in the case of an employee who, on the day before the termination of the program, is serving in a position pursuant to an appointment under this section—

"(1) the termination of the program does not terminate the employee's employment in that position before the expiration of the lesser of—

"(A) the period for which the employee was appointed; or

"(B) the period to which the employee's service is limited under subsection (c), including any extension made under this section before the termination of the program; and

"(2) the rate of basic pay prescribed for the position under this section may not be reduced as long as the employee continues to serve in the position without a break in service.

"§ 9904. Special pay and benefits for certain employees outside the United States

"The Secretary may provide to certain civilian employees of the Department of Defense assigned to activities outside the United States as determined by the Secretary to be in support of Department of Defense activities abroad hazardous to life or health or so specialized because of security requirements as to be clearly distinguishable from normal Government employment—

"(1) allowances and benefits—

"(A) comparable to those provided by the Secretary of State to members of the Foreign Service under chapter 9 of title I of the Foreign Service Act of 1980 (Public Law 96–465, 22 U.S.C. 4081 et seq.) or any other provision of law; or

"(B) comparable to those provided by the Director of Central Intelligence to personnel of the Central Intelligence Agency; and

"(2) special retirement accrual benefits and disability in the same manner provided for by the Central Intelligence Agency Retirement Act (50 U.S.C. 2001 et seq.) and in section 18 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403r).".

(2) The table of chapters for part III of such title is amended by adding at the end of subpart I the following new item:

"99. Department of Defense National Security Personnel System .... 9901".

(b) IMPACT ON DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL.—(1) Any exercise of authority under chapter 99 of such title (as added by subsection (a)), including under any system established under such chapter, shall be in conformance with the requirements of this subsection. 5 USC 9901 note.

(2) No other provision of this Act or of any amendment made by this Act may be construed or applied in a manner so as to limit, supersede, or otherwise affect the provisions of this section, except to the extent that it does so by specific reference to this section.

Subtitle B—Department of Defense Civilian Personnel Generally

5 USC 9902 note.

SEC. 1111. PILOT PROGRAM FOR IMPROVED CIVILIAN PERSONNEL MANAGEMENT.

(a) PILOT PROGRAM.—The Secretary of Defense may carry out a pilot program using an automated workforce management system to demonstrate improved efficiency in the performance of civilian personnel management. The automated workforce management system used for the pilot program shall be capable of automating the following workforce management functions:

(1) Job definition.
(2) Position management.
(3) Recruitment.
(4) Staffing.
(5) Performance management.

(b) AUTHORITIES UNDER PILOT PROGRAM.—Under the pilot program, the Secretary of Defense shall provide the Secretary of each military department with the authority for the following:

(1) To use an automated workforce management system for the civilian workforce of that military department to assess the potential of such a system to do the following:

(A) Substantially reduce hiring cycle times.
(B) Lower labor costs.
(C) Increase efficiency.
(D) Improve performance management.
(E) Provide better management reporting.
(F) Enable that system to make operational new personnel management flexibilities granted under the civilian personnel transformation program.

(2) Identify at least one regional civilian personnel center (or equivalent) in that military department for participation in the pilot program.

Deadline.

(c) DURATION OF PILOT PROGRAM.—The Secretary of Defense may carry out the pilot program under this section at each selected regional civilian personnel center for a period of two years beginning not later than March 1, 2004.

SEC. 1112. CLARIFICATION AND REVISION OF AUTHORITY FOR DEMONSTRATION PROJECT RELATING TO CERTAIN ACQUISITION PERSONNEL MANAGEMENT POLICIES AND PROCEDURES.

Section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (10 U.S.C. 1701 note) is amended—

(1) in subsection (b), by striking paragraph (3) and inserting the following:

“(3) CONDITIONS.—Paragraph (2) shall not apply with respect to a demonstration project unless—

“(A) for each organization or team participating in the demonstration project—

“(i) at least one-third of the workforce participating in the demonstration project consists of members of the acquisition workforce; and "(ii) at least two-thirds of the workforce participating in the demonstration project consists of members of the acquisition workforce and supporting personnel assigned to work directly with the acquisition workforce; and

"(B) the demonstration project commences before October 1, 2007.";

(2) in subsection (d), by striking "95,000" and inserting "120,000";

(3) by redesignating subsection (e) as subsection (f); and

(4) by inserting after subsection (d) the following:

"(e) EFFECT OF REORGANIZATIONS.—The applicability of paragraph (2) of subsection (b) to an organization or team shall not terminate by reason that the organization or team, after having satisfied the conditions in paragraph (3) of such subsection when it began to participate in a demonstration project under this section, ceases to meet one or both of the conditions set forth in subparagraph (A) of such paragraph (3) as a result of a reorganization, restructuring, realignment, consolidation, or other organizational change.".

SEC. 1113. MILITARY LEAVE FOR MOBILIZED FEDERAL CIVILIAN EMPLOYEES.

(a) IN GENERAL.—Subsection (b) of section 6323 of title 5, United States Code, is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and at the end of clause (ii), as so redesignated, by inserting "or"; and

(B) by inserting "(A)" after "(2)"; and

(2) by inserting the following before the text beginning with "is entitled":

"(B) performs full-time military service as a result of a call or order to active duty in support of a contingency operation as defined in section 101(a)(13) of title 10;".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to military service performed on or after the date of the enactment of this Act. 5 USC 6323 note.

SEC. 1114. RESTORATION OF ANNUAL LEAVE FOR CERTAIN DEPARTMENT OF DEFENSE EMPLOYEES.

5 USC 6304 note.

(a) RESTORATION OF ANNUAL LEAVE.—During the period October 1, 1992, through December 31, 1997, all employees transferring from a closing or realigning Department of Defense installation or activity as defined under section 6304(d)(3) of title 5, United States Code, to another Department of Defense installation or activity—

(1) may be deemed eligible by the Secretary of Defense for automatic restoration of forfeited annual leave under section 6304(d)(3) of title 5, United States Code, during the year of transfer; and

(2) may be deemed by the Secretary of Defense to have used all forfeited annual leave properly restored under section 6304(d)(3) of title 5, United States Code, within the appropriate time limits, only if such restored annual leave was used by the employee or paid to the employee in the form of a lump sum payment under section 5551(a) of title 5, United States Code, by the last day of the 2001 leave year.

(b) PAYMENT OF RESTORED ANNUAL LEAVE.—(1) On or after September 23, 1996, all employees transferring from a closing or realigning Department of Defense installation or activity as defined under section 6304(d)(3)(A) of title 5, United States Code, to another Department of Defense installation or activity who, upon transfer, were entitled to payment of a lump sum payment under section 5551(c) of title 5, United States Code, for forfeited annual leave properly restored under section 6304(d)(3) of title 5, United States Code—

(A) may be paid only for any such restored annual leave currently remaining to their credit at the hourly rate payable on the date of transfer with appropriate back pay interest; and

(B) shall be deemed paid for all such restored annual leave to which that employee was entitled to payment upon transfer, but subsequently used or was otherwise paid for upon separation.

(2) This subsection shall take effect on the date of the enactment of this Act.

SEC. 1115. AUTHORITY TO EMPLOY CIVILIAN FACULTY MEMBERS AT THE WESTERN HEMISPHERE INSTITUTE FOR SECURITY COOPERATION.

Section 1595(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(6) The Western Hemisphere Institute for Security Cooperation.".

5 USC 3104 note.

SEC. 1116. EXTENSION OF AUTHORITY FOR EXPERIMENTAL PERSONNEL PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.

(a) EXTENSION OF PROGRAM.—Subsection (e)(1) of section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2139; 5 U.S.C. 3104 note) is amended by striking "October 16, 2005" and inserting "September 30, 2008".

(b) COMMENSURATE EXTENSION OF REQUIREMENT FOR ANNUAL REPORT.—Subsection (g) of such section is amended by striking "2006" and inserting "2009".

Subtitle C—Other Federal Government Civilian Personnel Matters

SEC. 1121. MODIFICATION OF THE OVERTIME PAY CAP.

Section 5542(a)(2) of title 5, United States Code, is amended—

(1) by inserting "the greater of" before "one and one-half"; and

(2) by inserting "or the hourly rate of basic pay of the employee" after "law)" the second place it appears.

SEC. 1122. COMMON OCCUPATIONAL AND HEALTH STANDARDS FOR DIFFERENTIAL PAYMENTS AS A CONSEQUENCE OF EXPOSURE TO ASBESTOS.

(a) PREVAILING RATE SYSTEMS.—Section 5343(c)(4) of title 5, United States Code, is amended by inserting before the semicolon at the end the following: ", and for any hardship or hazard related to asbestos, such differentials shall be determined by applying occupational safety and health standards consistent with the permissible exposure limit promulgated by the Secretary of Labor under the Occupational Safety and Health Act of 1970".

(b) GENERAL SCHEDULE PAY RATES.—Section 5545(d) of such title is amended by inserting before the period at the end of the first sentence the following: ", and for any hardship or hazard related to asbestos, such differentials shall be determined by applying occupational safety and health standards consistent with the permissible exposure limit promulgated by the Secretary of Labor under the Occupational Safety and Health Act of 1970".

5 USC 5343 note.

(c) APPLICABILITY.—Subject to any vested constitutional property rights, any administrative or judicial determination after the date of the enactment of this Act concerning backpay for a differential established under sections 5343(c)(4) or 5545(d) of such title shall be based on occupational safety and health standards described in the amendments made by subsections (a) and (b).

SEC. 1123. INCREASE IN ANNUAL STUDENT LOAN REPAYMENT AUTHORITY.

(a) INCREASE.—Section 5379(b)(2)(A) of title 5, United States Code, is amended by striking "$6,000" and inserting "$10,000".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2004.

SEC. 1124. AUTHORIZATION FOR CABINET SECRETARIES, SECRETARIES OF MILITARY DEPARTMENTS, AND HEADS OF EXECUTIVE AGENCIES TO BE PAID ON A BIWEEKLY BASIS.

(a) AUTHORIZATION.—Section 5504 of title 5, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d);

(2) by striking the last sentence of both subsection (a) and subsection (b); and

(3) by inserting after subsection (b) the following:

"(c) For the purposes of this section:

"(1) The term 'employee' means—

"(A) an employee in or under an Executive agency;

"(B) an employee in or under the Office of the Architect of the Capitol, the Botanic Garden, and the Library of Congress, for whom a basic administrative workweek is established under section 6101(a)(5) of this title; and

"(C) an individual employed by the government of the District of Columbia.

"(2) The term 'employee' does not include—

"(A) an employee on the Isthmus of Panama in the service of the Panama Canal Commission; or

"(B) an employee or individual excluded from the definition of employee in section 5541(2) of this title other than an employee or individual excluded by clauses (ii), (iii), and (xiv) through (xvii) of such section.

"(3) Notwithstanding paragraph (2), an individual who otherwise would be excluded from the definition of employee shall be deemed to be an employee for purposes of this section if the individual's employing agency so elects, under guidelines in regulations promulgated by the Office of Personnel Management under subsection (d)(2).".

(b) GUIDELINES.—Subsection (d) of section 5504 of such title, as redesignated by subsection (a), is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following new paragraph:

"(2) The Office of Personnel Management shall provide guidelines by regulation for exemptions to be made by the heads of agencies under subsection (c)(3). Such guidelines shall provide for such exemptions only under exceptional circumstances.".

SEC. 1125. SENIOR EXECUTIVE SERVICE AND PERFORMANCE.

(a) SENIOR EXECUTIVE PAY.—Chapter 53 of title 5, United States Code, is amended—

(1) in section 5304—

(A) in subsection (g)(2)—

(i) in subparagraph (A) by striking "subparagraphs (A)–(E)" and inserting "subparagraphs (A)–(D)"; and

(ii) in subparagraph (B) by striking "subsection (h)(1)(F)" and inserting "subsection (h)(1)(D)";

(B) in subsection (h)(1)—

(i) by striking subparagraphs (B) and (C);

(ii) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (B), (C), and (D), respectively;

(iii) in clause (ii) by striking "or" at the end;

(iv) in clause (iii) by striking the period and inserting a semicolon; and

(v) by adding at the end the following new clauses:

"(iv) a Senior Executive Service position under section 3132;

"(v) a position in the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service under section 3151; or

"(vi) a position in a system equivalent to the system in clause (iv), as determined by the President's Pay Agent designated under subsection (d)."; and

(C) in subsection (h)(2)(B)—

(i) in clause (i)—

(I) by striking "subparagraphs (A) through (E)" and inserting "subparagraphs (A) through (C)"; and

(II) by striking "clause (i) or (ii)" and inserting "clause (i), (ii), (iii), (iv), (v), or (vii)"; and

(ii) in clause (ii)—

(I) by striking "paragraph (1)(F)" and inserting "paragraph (1)(D)"; and

(II) by striking "clause (i) or (ii)" and inserting "clause (i), (ii), (iii), (iv), (v), or (vi)";

(2) by amending section 5382 to read as follows:

"§ 5382. Establishment of rates of pay for the Senior Executive Service

"(a) Subject to regulations prescribed by the Office of Personnel Management, there shall be established a range of rates of basic pay for the Senior Executive Service, and each senior executive shall be paid at one of the rates within the range, based on individual performance, contribution to the agency's performance, or both, as determined under a rigorous performance management system. The lowest rate of the range shall not be less than the minimum rate of basic pay payable under section 5376, and the highest rate, for any position under this system or an equivalent system as determined by the President's Pay Agent designated under section 5304(d), shall not exceed the rate for level III of the Executive Schedule. The payment of the rates shall not be subject to the pay limitation of section 5306(e) or 5373.

"(b) Notwithstanding the provisions of subsection (a), the applicable maximum shall be level II of the Executive Schedule for any agency that is certified under section 5307 as having a performance appraisal system which, as designed and applied, makes meaningful distinctions based on relative performance.

"(c) No employee may suffer a reduction in pay by reason of transfer from an agency with an applicable maximum rate of pay prescribed under subsection (b) to an agency with an applicable maximum rate of pay prescribed under subsection (a)."; and

(3) in section 5383—

(A) in subsection (a) by striking "which of the rates established under section 5382 of this title" and inserting "which of the rates within a range established under section 5382"; and

(B) in subsection (c) by striking "for any pay adjustment under section 5382 of this title" and inserting "as provided in regulations prescribed by the Office under section 5385".

(b) POST-EMPLOYMENT RESTRICTIONS.—(1) Clause (ii) of section 207(c)(2)(A) of title 18, United States Code, is amended to read as follows:

"(ii) employed in a position which is not referred to in clause (i) and for which that person is paid at a rate of basic pay which is equal to or greater than 86.5 percent of the rate of basic pay for level II of the Executive Schedule, or, for a period of 2 years following the enactment of the National Defense Authorization Act for Fiscal Year 2004, a person who, on the day prior to the enactment of that Act, was employed in a position which is not referred to in clause (i) and for which the rate of basic pay, exclusive of any locality-based pay adjustment under section 5304 or section 5304a of title 5, was equal to or greater than the rate of basic pay payable for level 5 of the Senior Executive Service on the day prior to the enactment of that Act,".

(2) Subchapter I of chapter 73 of title 5, United States Code, is amended by inserting at the end the following new section:

"§ 7302. Post-employment notification

"(a) Not later than the effective date of the amendments made by section 1106 of the National Defense Authorization Act for Fiscal Year 2004, or 180 days after the date of the enactment of that Act, whichever is later, the Office of Personnel Management shall, in consultation with the Attorney General and the Office of Government Ethics, promulgate regulations requiring that each Executive branch agency notify any employee of that agency who is subject to the provisions of section 207(c)(1) of title 18, as a result of the amendment to section 207(c)(2)(A)(ii) of that title by that Act. Deadline.

"(b) The regulations shall require that notice be given before, or as part of, the action that affects the employee's coverage under section 207(c)(1) of title 18, by virtue of the provisions of section

207(c)(2)(A)(ii) of that title, and again when employment or service in the covered position is terminated.".

(3) The table of sections for chapter 73 of title 5, United States Code, is amended by adding after the item relating to section 7301 the following:

"7302. Post-employment notification.".

5 USC 5304 note.

(c) EFFECTIVE DATE AND APPLICABILITY.—(1) The amendments made by this section shall take effect on the first day of the first pay period beginning on or after the first January 1 following the date of the enactment of this section.

(2) The amendments made by subsection (a) may not result in a reduction in the rate of basic pay for any senior executive during the first year after the effective date of those amendments.

(3) For the purposes of paragraph (2), the rate of basic pay for a senior executive shall be deemed to be the rate of basic pay set for the senior executive under section 5383 of title 5, United States Code, plus applicable locality pay paid to that senior executive, as of the date of the enactment of this Act.

(4) Until otherwise provided by law, or except as otherwise provided by this section, any reference in a provision of law to a rate of basic pay that is above the minimum payable and below the maximum payable to a member of the Senior Executive Service shall be considered a reference to the rate of basic pay payable for level IV of the Executive Schedule.

5 USC 4701 note.

SEC. 1126. DESIGN ELEMENTS OF PAY-FOR-PERFORMANCE SYSTEMS IN DEMONSTRATION PROJECTS.

A pay-for-performance system may not be initiated under chapter 47 of title 5, United States Code, after the date of the enactment of this Act, unless it incorporates the following elements:

(1) Adherence to merit principles set forth in section 2301 of such title.

(2) A fair, credible, and transparent employee performance appraisal system.

(3) A link between elements of the pay-for-performance system, the employee performance appraisal system, and the agency's strategic plan.

(4) A means for ensuring employee involvement in the design and implementation of the system.

(5) Adequate training and retraining for supervisors, managers, and employees in the implementation and operation of the pay-for-performance system.

(6) A process for ensuring ongoing performance feedback and dialogue between supervisors, managers, and employees throughout the appraisal period, and setting timetables for review.

(7) Effective safeguards to ensure that the management of the system is fair and equitable and based on employee performance.

(8) A means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the pay-for-performance system.

5 USC 1101 note.

SEC. 1127. FEDERAL FLEXIBLE BENEFITS PLAN ADMINISTRATIVE COSTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, an agency or other employing entity of the Government which provides or plans to provide a flexible spending account option for its employees shall not impose any fee with respect to any of its employees in order to defray the administrative costs associated therewith.

(b) OFFSET OF ADMINISTRATIVE COSTS.—Each such agency or employing entity that offers a flexible spending account option under a program established or administered by the Office of Personnel Management shall periodically forward to such Office, or entity designated by such Office, the amount necessary to offset the administrative costs of such program which are attributable to such agency.

Deadline.

(c) REPORTS.—(1) The Office shall submit a report to the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate no later than March 31, 2004, specifying the administrative costs associated with the Governmentwide program (referred to in subsection (b)) for fiscal year 2003, as well as the projected administrative costs of such program for each of the 5 fiscal years thereafter.

(2) At the end of each of the first 3 calendar years in which an agency or other employing entity offers a flexible spending account option under this section, such agency or entity shall submit a report to the Office of Management and Budget showing the amount of its employment tax savings in such year which are attributable to such option, net of administrative fees paid under subsection (b).

5 USC 7101 note.

SEC. 1128. EMPLOYEE SURVEYS.

(a) IN GENERAL.—Each agency shall conduct an annual survey of its employees (including survey questions unique to the agency and questions prescribed under subsection (b)) to assess—

(1) leadership and management practices that contribute to agency performance; and

(2) employee satisfaction with—

(A) leadership policies and practices;

(B) work environment;

(C) rewards and recognition for professional accomplishment and personal contributions to achieving organizational mission;

(D) opportunity for professional development and growth; and

(E) opportunity to contribute to achieving organizational mission.

(b) REGULATIONS.—The Office of Personnel Management shall issue regulations prescribing survey questions that should appear on all agency surveys under subsection (a) in order to allow a comparison across agencies.

(c) AVAILABILITY OF RESULTS.—The results of the agency surveys under subsection (a) shall be made available to the public and posted on the website of the agency involved, unless the head of such agency determines that doing so would jeopardize or negatively impact national security.

(d) AGENCY DEFINED.—For purposes of this section, the term "agency" means an Executive agency (as defined by section 105 of title 5, United States Code).

SEC. 1129. HUMAN CAPITAL PERFORMANCE FUND.

(a) IN GENERAL.—Subpart D of part III of title 5, United States Code, is amended by inserting after chapter 53 the following:

“CHAPTER 54—HUMAN CAPITAL PERFORMANCE FUND

“Sec.
“5401. Purpose.
“5402. Definitions.
“5403. Human Capital Performance Fund.
“5404. Human capital performance payments.
“5405. Regulations.
“5406. Agency plan.
“5407. Nature of payment.
“5408. Appropriations.

“§ 5401. Purpose

“The purpose of this chapter is to promote, through the creation of a Human Capital Performance Fund, greater performance in the Federal Government. Monies from the Fund will be used to reward agencies’ highest performing and most valuable employees. This Fund will offer Federal managers a new tool to recognize employee performance that is critical to the achievement of agency missions.

“§ 5402. Definitions

“For the purpose of this chapter—

“(1) ‘agency’ means an Executive agency under section 105, but does not include the General Accounting Office;

“(2) ‘employee’ includes—

“(A) an individual paid under a statutory pay system defined in section 5302(1);

“(B) a prevailing rate employee, as defined in section 5342(a)(2); and

“(C) a category of employees included by the Office of Personnel Management following the review of an agency plan under section 5403(b)(1);

but does not include—

“(i) an individual paid at an annual rate of basic pay for a level of the Executive Schedule, under subchapter II of chapter 53, or at a rate provided for one of those levels under another provision of law;

“(ii) a member of the Senior Executive Service paid under subchapter VIII of chapter 53, or an equivalent system;

“(iii) an administrative law judge paid under section 5372;

“(iv) a contract appeals board member paid under section 5372a;

“(v) an administrative appeals judge paid under section 5372b; and

“(vi) an individual in a position which is excepted from the competitive service because of its confidential, policy-determining, policy-making, or policy-advocating character; and

“(3) ‘Office’ means the Office of Personnel Management.

“§ 5403. Human Capital Performance Fund

Establishment.

“(a) There is hereby established the Human Capital Performance Fund, to be administered by the Office for the purpose of this chapter.

“(b)(1)(A) An agency shall submit a plan as described in section 5406 to be eligible for consideration by the Office for an allocation under this section. An allocation shall be made only upon approval by the Office of an agency's plan.

"(B)(i) After the reduction for training required under section 5408, ninety percent of the remaining amount appropriated to the Fund may be allocated by the Office to the agencies. Of the amount to be allocated, an agency's pro rata distribution may not exceed its pro rata share of Executive branch payroll.

"(ii) If the Office does not allocate an agency's full pro rata share, the undistributed amount remaining from that share will become available for distribution to other agencies, as provided in subparagraph (C).

"(C)(i) After the reduction for training under section 5408, ten percent of the remaining amount appropriated to the Fund, as well as the amount of the pro rata share not distributed because of an agency's failure to submit a satisfactory plan, shall be allocated among agencies with exceptionally high-quality plans.

"(ii) An agency with an exceptionally high-quality plan is eligible to receive an additional distribution in addition to its full pro rata distribution.

"(2) Each agency is required to provide to the Office such payroll information as the Office specifies necessary to determine the Executive branch payroll.

"§ 5404. Human capital performance payments

"(a)(1) Notwithstanding any other provision of law, the Office may authorize an agency to provide human capital performance payments to individual employees based on exceptional performance contributing to the achievement of the agency mission.

"(2) The number of employees in an agency receiving payments from the Fund, in any year, shall not be more than the number equal to 15 percent of the agency's average total civilian full- and part-time permanent employment for the previous fiscal year.

"(b)(1) A human capital performance payment provided to an individual employee from the Fund, in any year, shall not exceed 10 percent of the employee's rate of basic pay.

"(2) The aggregate of an employee's rate of basic pay, adjusted by any locality-based comparability payments, and human capital performance pay, as defined by regulation, may not exceed the rate of basic pay for Executive Level IV in any year.

"(3) Any human capital performance payment provided to an employee from the Fund is in addition to any annual pay adjustment (under section 5303 or any similar provision of law) and any locality-based comparability payment that may apply.

"(c) No monies from the Human Capital Performance Fund may be used to pay for a new position, for other performance-related payments, or for recruitment or retention incentives paid under sections 5753 and 5754.

"(d)(1) An agency may finance initial human capital performance payments using monies from the Human Capital Performance Fund, as available.

"(2) In subsequent years, continuation of previously awarded human capital performance payments shall be financed from other agency funds available for salaries and expenses.

"§ 5405. Regulations

"The Office shall issue such regulations as it determines to be necessary for the administration of this chapter, including the administration of the Fund. The Office's regulations shall include criteria governing—

"(1) an agency plan under section 5406;

"(2) the allocation of monies from the Fund to agencies;

"(3) the nature, extent, duration, and adjustment of, and approval processes for, payments to individual employees under this chapter;

"(4) the relationship to this chapter of agency performance management systems;

"(5) training of supervisors, managers, and other individuals involved in the process of making performance distinctions; and

"(6) the circumstances under which funds may be allocated by the Office to an agency in amounts below or in excess of the agency's pro rata share.

"§ 5406. Agency plan

"(a) To be eligible for consideration by the Office for an allocation under this section, an agency shall—

"(1) develop a plan that incorporates the following elements:

"(A) adherence to merit principles set forth in section 2301;

"(B) a fair, credible, and transparent employee performance appraisal system;

"(C) a link between the pay-for-performance system, the employee performance appraisal system, and the agency's strategic plan;

"(D) a means for ensuring employee involvement in the design and implementation of the system;

"(E) adequate training and retraining for supervisors, managers, and employees in the implementation and operation of the pay-for-performance system;

"(F) a process for ensuring ongoing performance feedback and dialogue between supervisors, managers, and employees throughout the appraisal period, and setting timetables for review;

"(G) effective safeguards to ensure that the management of the system is fair and equitable and based on employee performance; and

"(H) a means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the pay-for-performance system;

"(2) upon approval, receive an allocation of funding from the Office;

"(3) make payments to individual employees in accordance with the agency's approved plan; and

"(4) provide such information to the Office regarding payments made and use of funds received under this section as the Office may specify.

"(b) The Office, in consultation with the Chief Human Capital Officers Council, shall review and approve an agency's plan before the agency is eligible to receive an allocation of funding from the Office.

"(c) The Chief Human Capital Officers Council shall include in its annual report to Congress under section 1303(d) of the Homeland Security Act of 2002 an evaluation of the formulation and implementation of agency performance management systems.

“§ 5407. Nature of payment

“Any payment to an employee under this section shall be part of the employee’s basic pay for the purposes of subchapter III of chapter 83, and chapters 84 and 87, and for such other purposes (other than chapter 75) as the Office shall determine by regulation.

“§ 5408. Appropriations

“There is authorized to be appropriated $500,000,000 for fiscal year 2004, and, for each subsequent fiscal year, such sums as may be necessary to carry out the provisions of this chapter. In the first year of implementation, up to 10 percent of the amount appropriated to the Fund shall be available to participating agencies to train supervisors, managers, and other individuals involved in the appraisal process on using performance management systems to make meaningful distinctions in employee performance and on the use of the Fund.”.

(b) CLERICAL AMENDMENT.—The table of chapters for part III of title 5, United States Code, is amended by inserting after the item relating to chapter 53 the following:

“54. Human Capital Performance Fund .... 5401”.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Matters Relating to Iraq

Sec. 1201. Medical assistance to Iraqi children injured during Operation Iraqi Freedom.
Sec. 1202. Report on the conduct of Operation Iraqi Freedom.
Sec. 1203. Report on Department of Defense security and reconstruction activities in Iraq.
Sec. 1204. Report on acquisition by Iraq of advanced weapons.
Sec. 1205. Sense of Congress on use of small businesses, minority-owned businesses, and women-owned businesses in efforts to rebuild Iraq.

Subtitle B—Matters Relating to Export Protections

Sec. 1211. Review of export protections for military superiority resources.
Sec. 1212. Report on Department of Defense costs relating to national security controls on satellite exports.

Subtitle C—Administrative Requirements and Authorities

Sec. 1221. Authority to use funds for payment of costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program.
Sec. 1222. Recognition of superior noncombat achievements or performance by members of friendly foreign forces and other foreign nationals.
Sec. 1223. Expansion of authority to waive charges for costs of attendance at George C. Marshall European Center for Security Studies.
Sec. 1224. Authority for check cashing and currency exchange services to be provided to foreign military members participating in certain activities with United States forces.
Sec. 1225. Depot maintenance and repair work on certain types of trainer aircraft to be transferred to foreign countries as excess aircraft.

Subtitle D—Other Reports and Sense of Congress Statements

Sec. 1231. Annual report on the NATO Prague Capabilities Commitment and the NATO Response Force.
Sec. 1232. Report on actions that could be taken regarding countries that initiate certain legal actions against United States officials or members of the Armed Forces.
Sec. 1233. Sense of Congress on redeployment of United States forces in Europe.
Sec. 1234. Sense of Congress concerning Navy port calls in Israel.

Subtitle A—Matters Relating to Iraq

SEC. 1201. MEDICAL ASSISTANCE TO IRAQI CHILDREN INJURED DURING OPERATION IRAQI FREEDOM.

(a) Assistance.—Subject to subsections (c) and (d), the Secretary of Defense shall, to the maximum extent practicable, provide all necessary health care and related support to provide needed medical assistance to Iraqi children who, as determined by the Secretary of Defense, were injured during and as a result of Operation Iraqi Freedom. Such assistance shall be provided in an expeditious manner.

(b) Related Support.—Related support under subsection (a) includes transportation on aeromedical evacuation aircraft of the Department of Defense on a space-available basis.

(c) Limitations Relating to Medical Care.—Assistance may be provided to a child under subsection (a)—

(1) only if adequate treatment from other sources in Iraq or neighboring countries is not available; and

(2) only after completion of an evaluation by a physician or other appropriate medical personnel of the United States Armed Forces.

(d) Limitation Relating to United States Military Operations.—Assistance may be provided to a child under subsection (a) only if the provision of such assistance would not adversely affect military operations of the United States.

SEC. 1202. REPORT ON THE CONDUCT OF OPERATION IRAQI FREEDOM.

Deadline.

(a) Report Required.—(1) Not later than March 31, 2004, the Secretary of Defense shall submit to the congressional defense committees and the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report on the preparation for and conduct of military operations under Operation Iraqi Freedom from March 19, 2003, to May 1, 2003.

(2) The report shall be prepared in consultation with the Chairman of the Joint Chiefs of Staff, the commander of the United States Central Command, and such other officers and officials as the Secretary considers appropriate.

(b) Content.—The report shall include a discussion, with a particular emphasis on accomplishments and shortcomings and on near-term and long-term corrective actions to address those shortcomings, of the following:

(1) The military objectives of the international coalition conducting Operation Iraqi Freedom, the military strategy selected to achieve the objectives, and an assessment of the execution of the military strategy.

(2) The deployment process, including the adaptability of the process to unforeseen contingencies and changing requirements.

(3) The effectiveness of the reserve component forces used in Operation Iraqi Freedom, including the reserve component mobilization process, the timeliness of mobilization notification, training, operational effectiveness in theater, and subsequent demobilization.

(4) The use and performance of major items of United States military equipment, weapon systems, and munitions

(including items classified under special access procedures and items drawn from prepositioned stocks) and any expected effects of the experience with the use and performance of those items on the doctrinal and tactical employment of such items and on plans for continuing the acquisition of such items.

(5) The effectiveness of joint air operations, including the doctrine for the employment of close air support in the varied environments of Operation Iraqi Freedom, and the effectiveness of attack helicopter operations.

(6) The use of special operations forces, including operational and intelligence uses classified under special access procedures.

(7) The scope of logistics support, including support from other nations.

(8) The incidence of accidental fratricide, together with a discussion of the effectiveness of the tracking of friendly forces and of the combat identification systems in mitigating friendly fire incidents.

(9) The adequacy of spectrum and bandwidth to transmit all necessary information to operational forces and assets, including unmanned aerial vehicles, ground vehicles, and individual soldiers.

(10) The effectiveness of information operations, including the effectiveness of Commando Solo and other psychological operations assets, in achieving established objectives, together with a description of technological and other restrictions on the use of psychological operations capabilities.

(11) The adequacy of United States and coalition intelligence and counterintelligence systems and personnel, including contributions regarding bomb damage assessments and particularly including United States tactical intelligence and related activities (TIARA) programs and the Joint Military Intelligence Program (JMIP), as well as the adequacy of such support to facilitate searches for weapons of mass destruction.

(12) The rapid insertion and integration, if any, of developmental but mission-essential equipment during all phases of the operation.

(13) The most critical lessons learned that could lead to long-term doctrinal, organizational, and technological changes (including new equipment, weapons systems, and munitions) and the probable effects that an implementation of those changes would have on current visions, goals, and plans for transformation of the Armed Forces and for joint and combined operations.

(14) The role of the law of armed conflict in the planning and execution of military operations by United States forces and the other coalition forces and the effects on operations of Iraqi compliance or noncompliance with the law of armed conflict.

(15) The policies and procedures relating to the media, including the use of embedded media.

(16) The results of a study, carried out by the Secretary of Defense, regarding the availability of family support services provided for the dependents of members of the National Guard and other reserve components of the Armed Forces who are called or ordered to active duty.

(17) The direct and indirect cost of military operations, including an assessment of the total incremental expenditures made by the Department of Defense as a result of Operation Iraqi Freedom.

(c) FORMS OF REPORT.—The report shall be submitted in unclassified form with a classified annex, if necessary.

SEC. 1203. REPORT ON DEPARTMENT OF DEFENSE SECURITY AND RECONSTRUCTION ACTIVITIES IN IRAQ.

Deadline.

(a) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the security and reconstruction activities of the Department of Defense in Iraq.

(b) REPORT ELEMENTS.—The report shall discuss the range of infrastructure reconstruction, civil administration, humanitarian assistance, interim governance, and political development activities undertaken in Iraq by officials of the Department and by those civilians reporting to the Secretary of Defense and the missions undertaken in Iraq by United States military forces. In particular, the report shall include a discussion of the following:

(1) The evolution of the organizational structure of the civilian groups reporting to the Secretary, including the Office of Reconstruction and Humanitarian Assistance and the Office of the Coalition Provisional Authority, on issues of Iraqi administration and reconstruction and the factors influencing that evolution.

(2) The relationship of the Department of Defense with other United States departments and agencies involved in administration and reconstruction planning and execution in Iraq.

(3) The relationship of Department of Defense entities, including the Office of Reconstruction and Humanitarian Assistance and the Office of the Coalition Provisional Authority, with intergovernmental and nongovernmental organizations contributing to the reconstruction and governance efforts.

(4) Progress made to the date of the report in—

(A) rebuilding Iraqi infrastructure;

(B) providing for the humanitarian needs of the Iraqi people;

(C) reconstituting the Iraqi governmental bureaucracy and its provision of services;

(D) developing mechanisms of fully transitioning Iraq to representative self-government; and

(E) recruiting, training, and fielding Iraqi police and military forces.

(5) Progress made to the date of the report by Department of Defense civilians and military personnel in accounting for any Iraqi weapons of mass destruction and associated weapons capabilities.

(6) Progress made to the date of the report by United States military personnel in providing security in Iraq and in transferring security functions to a reconstituted Iraqi police force and military.

(7) The Secretary's assessment of the scope of the ongoing needed commitment of United States military forces and of the remaining tasks to be completed by Department of Defense civilian personnel in the governance and reconstruction areas,

including an estimate of the total expenditures the Department of Defense expects to make for security and reconstruction activities in Iraq.

(8) The Secretary's assessment of the effect that the United States military presence in Iraq will have on replacement and unit rotation policies, including the overall effect on global United States military deployments.

SEC. 1204. REPORT ON ACQUISITION BY IRAQ OF ADVANCED WEAPONS.

10 USC 113 note.

Deadline.

(a) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and International Relations of the House of Representatives a report on the acquisition by Iraq of weapons of mass destruction and associated delivery systems and the acquisition by Iraq of advanced conventional weapons.

(b) MATTERS TO BE INCLUDED.—The report shall include the following:

(1) A description of any materials, technology, and know-how that Iraq was able to obtain for its nuclear, chemical, biological, ballistic missile, and unmanned aerial vehicle programs, and advanced conventional weapons programs, from 1979 through April 2003 from entities (including Iraqi citizens) outside of Iraq, as well as a description of how Iraq obtained these capabilities from those entities.

(2) An assessment of the degree to which United States, foreign, and multilateral export control regimes prevented acquisition by Iraq of weapons of mass destruction-related technology and materials and advanced conventional weapons and delivery systems since the commencement of international inspections in Iraq.

(3) An assessment of the effectiveness of United Nations sanctions at halting the flow of militarily-useful contraband to Iraq from 1991 until the end of Operation Iraqi Freedom.

(4) An assessment of how Iraq was able to evade International Atomic Energy Agency and United Nations inspections regarding chemical, nuclear, biological, and missile weapons and related capabilities.

(5) Identification and a catalog of the entities and countries that transferred militarily useful contraband and items described pursuant to paragraph (1) to Iraq between 1991 and the end of major combat operations of Operation Iraqi Freedom on May 1, 2003, and the nature of that contraband and of those items.

(c) FORM OF REPORT.—The report shall be submitted in unclassified form with a classified annex, if necessary.

SEC. 1205. SENSE OF CONGRESS ON USE OF SMALL BUSINESSES, MINORITY-OWNED BUSINESSES, AND WOMEN-OWNED BUSINESSES IN EFFORTS TO REBUILD IRAQ.

It is the sense of Congress that the Secretary of Defense should ensure that outreach procedures are in place to provide information to small businesses, minority-owned businesses, and women-owned businesses regarding Department of Defense requirements and contract opportunities for the rebuilding of Iraq.

Subtitle B—Matters Relating to Export Protections

50 USC app. 2404 note.

SEC. 1211. REVIEW OF EXPORT PROTECTIONS FOR MILITARY SUPERIORITY RESOURCES.

(a) Review Required.—The Secretary of Defense shall carry out a review—

(1) to identify goods or technology (as defined in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415)) that, if obtained by a potential adversary, could significantly undermine the military superiority or qualitative military advantage of the United States over potential adversaries or otherwise contribute to the acquisition of weapons of mass destruction and their delivery systems; and

(2) to determine whether any of the items or technologies identified under paragraph (1) are not currently controlled for export purposes on either the Commerce Control List or the United States Munitions List.

Deadlines.

(b) Annual Reports.—(1) Not later than March 1, 2004, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives an unclassified report, with a classified annex as necessary, on the results of the review under subsection (a).

(2) For each of the next two years after the submission of the report under paragraph (1), the Secretary shall submit to those committees an update on that report. Such updates shall be submitted not later than March 1, 2005, and not later than March 1, 2006.

SEC. 1212. REPORT ON DEPARTMENT OF DEFENSE COSTS RELATING TO NATIONAL SECURITY CONTROLS ON SATELLITE EXPORTS.

(a) Study.—The Inspector General of the Department of Defense shall conduct a study of the costs incurred by the Department of Defense for each fiscal year from fiscal year 1999 through fiscal year 2003 relating to national security controls on satellite exports. As part of such study, the Inspector General shall identify for each such fiscal year the amounts expended by the Department of Defense (1) for the monitoring of launches of satellites and related items in a foreign country pursuant to section 1514 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 22 U.S.C. 2778 note), and (2) in connection with applications for licenses for the export of satellites and related items (as that term is defined in section 1516 of that Act).

Deadline.

(b) Report.—Not later than April 1, 2004, the Inspector General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study under subsection (a). The report shall include the following:

(1) An identification and assessment of the costs referred to in subsection (a), shown in the aggregate and separately, by fiscal year and by clauses (1) and (2) of that subsection.

(2) A review of the costs referred to in clause (1) of subsection (a) for which the Department of Defense has been reimbursed by the person or entity receiving the satellite launch

monitoring services involved, including the extent to which indirect costs were included in such reimbursement.

Subtitle C—Administrative Requirements and Authorities

SEC. 1221. AUTHORITY TO USE FUNDS FOR PAYMENT OF COSTS OF ATTENDANCE OF FOREIGN VISITORS UNDER REGIONAL DEFENSE COUNTERTERRORISM FELLOWSHIP PROGRAM.

(a) AUTHORITY TO USE FUNDS.—(1) Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2249c. Authority to use appropriated funds for costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program

“(a) AUTHORITY TO USE FUNDS.—Under regulations prescribed by the Secretary of Defense, funds appropriated to the Department of Defense may be used to pay any costs associated with the attendance of foreign military officers, ministry of defense officials, or security officials at United States military educational institutions, regional centers, conferences, seminars, or other training programs conducted under the Regional Defense Counterterrorism Fellowship Program, including costs of transportation and travel and subsistence costs.

“(b) LIMITATION.—The total amount of funds used under the authority in subsection (a) in any fiscal year may not exceed $20,000,000.

“(c) ANNUAL REPORT.—Not later than December 1 of each year, the Secretary of Defense shall submit to Congress a report on the administration of this section during the fiscal year ended in such year. The report shall include the following matters: Deadline.

“(1) A complete accounting of the expenditure of appropriated funds for purposes authorized under subsection (a), including—

“(A) the countries of the foreign officers and officials for whom costs were paid; and

“(B) for each such country, the total amount of the costs paid.

“(2) The training courses attended by the foreign officers and officials, including a specification of which, if any, courses were conducted in foreign countries.

“(3) An assessment of the effectiveness of the Regional Defense Counterterrorism Fellowship Program in increasing the cooperation of the governments of foreign countries with the United States in the global war on terrorism.

“(4) A discussion of any actions being taken to improve the program.”.

(2) The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

“2249c. Authority to use appropriated funds for costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program.”.

(b) NOTIFICATION OF CONGRESS.—Not later than December 1, 2003, the Secretary of Defense shall— Deadline. 10 USC 2249c note.

(1) prescribe the final regulations for carrying out section 2249c of title 10, United States Code, as added by subsection (a); and

(2) notify the congressional defense committees of the prescription of such regulations.

SEC. 1222. RECOGNITION OF SUPERIOR NONCOMBAT ACHIEVEMENTS OR PERFORMANCE BY MEMBERS OF FRIENDLY FOREIGN FORCES AND OTHER FOREIGN NATIONALS.

(a) AUTHORITY.—Chapter 53 of title 10, United States Code, is amended by inserting after section 1051a the following new section:

"§ 1051b. Bilateral or regional cooperation programs: awards and mementos to recognize superior noncombat achievements or performance

"(a) GENERAL AUTHORITY.—The Secretary of Defense may present awards and mementos purchased with funds appropriated for operation and maintenance of the armed forces to recognize superior noncombat achievements or performance by members of friendly foreign forces and other foreign nationals that significantly enhance or support the National Security Strategy of the United States.

"(b) ACTIVITIES THAT MAY BE RECOGNIZED.—Activities that may be recognized under subsection (a) include superior achievement or performance that—

"(1) plays a crucial role in shaping the international security environment in ways that protect and promote United States interests;

"(2) supports or enhances United States overseas presence and peacetime engagement activities, including defense cooperation initiatives, security assistance training and programs, and training and exercises with the armed forces;

"(3) helps to deter aggression and coercion, build coalitions, and promote regional stability; or

"(4) serves as a role model for appropriate conduct by military forces in emerging democracies.

"(c) LIMITATION.—Expenditures for the purchase or production of mementos for award under this section may not exceed the minimal value in effect under section 7342(a)(5) of title 5.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1051a the following new item:

"1051b. Bilateral or regional cooperation programs: awards and mementos to recognize superior noncombat achievements or performance.".

10 USC 113 note.

SEC. 1223. EXPANSION OF AUTHORITY TO WAIVE CHARGES FOR COSTS OF ATTENDANCE AT GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES.

Section 1306(b)(1) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2892) is amended by striking "of cooperation partner states of the North Atlantic Council or the Partnership for Peace" and inserting "from states located in Europe or the territory of the former Soviet Union".

SEC. 1224. AUTHORITY FOR CHECK CASHING AND CURRENCY EXCHANGE SERVICES TO BE PROVIDED TO FOREIGN MILITARY MEMBERS PARTICIPATING IN CERTAIN ACTIVITIES WITH UNITED STATES FORCES.

(a) Authority.—Subsection (b) of section 3342 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(8) A member of the military forces of an allied or coalition nation who is participating in a combined operation, combined exercise, or combined humanitarian or peacekeeping mission with the Armed Forces of the United States, but—

"(A) only if—

"(i) such disbursing official action for members of the military forces of that nation is approved by the senior United States military commander assigned to that operation, exercise, or mission; and

"(ii) that nation has guaranteed payment for any deficiency resulting from such disbursing official action; and

"(B) in the case of negotiable instruments, only for a negotiable instrument drawn on a financial institution located in the United States or on a foreign branch of such an institution.".

(b) Technical Amendments.—That subsection is further amended—

(1) by striking "only for—" in the matter preceding paragraph (1) and inserting "only for the following:";

(2) by striking "an" at the beginning of paragraph (1) and inserting "An";

(3) by striking "personnel" in paragraphs (2) and (6) and inserting "Personnel";

(4) by striking "a" at the beginning of paragraphs (3), (4), (5), and (7) and inserting "A";

(5) by striking the semicolon at the end of paragraphs (1) through (5) and inserting a period;

(6) by striking "; or" at the end of paragraph (6) and inserting a period; and

(7) by striking "1752(1))" in paragraph (7) and inserting "1752(1)))".

SEC. 1225. DEPOT MAINTENANCE AND REPAIR WORK ON CERTAIN TYPES OF TRAINER AIRCRAFT TO BE TRANSFERRED TO FOREIGN COUNTRIES AS EXCESS AIRCRAFT.

(a) Depot Maintenance and Repair Work Before Transfer.—Before an excess trainer aircraft of a type specified in subsection (b) is transferred to a foreign country for the purpose of flight operations by that country, the Secretary of Defense shall make all reasonable efforts to ensure that the aircraft receives necessary depot maintenance and repair work and that such work is performed in the United States.

(b) Covered Types of Aircraft.—Subsection (a) applies to the following types of trainer aircraft:

(1) T–2 Buckeye aircraft.

(2) T–37 Tweet aircraft.

(c) Work To Be Performed at no Cost to DOD.—Any work referred to in subsection (a) shall be performed at no cost to the Department of Defense.

Subtitle D—Other Reports and Sense of Congress Statements

22 USC 1928 note.

SEC. 1231. ANNUAL REPORT ON THE NATO PRAGUE CAPABILITIES COMMITMENT AND THE NATO RESPONSE FORCE.

(a) FINDINGS.—Congress makes the following findings:

(1) At the meeting of the North Atlantic Council held in Prague in November 2002, the heads of states and governments of the North Atlantic Treaty Organization (NATO) launched a Prague Capabilities Commitment and decided to create a NATO Response Force.

(2) The Prague Capabilities Commitment is part of the continuing NATO effort to improve and develop new military capabilities for modern warfare in a high-threat environment. As part of this commitment, individual NATO allies have made firm and specific political commitments to improve their capabilities in the areas of—

(A) chemical, biological, radiological, and nuclear defense;

(B) intelligence, surveillance, and target acquisition;

(C) air-to-ground surveillance;

(D) command, control, and communications;

(E) combat effectiveness, including precision guided munitions and suppression of enemy air defenses;

(F) strategic air and sea lift;

(G) air-to-air refueling; and

(H) deployable combat support and combat service support units.

(3) The NATO Response Force is envisioned to be a technologically advanced, flexible, deployable, interoperable, and sustainable force that includes land, sea, and air elements ready to move quickly to wherever needed, as determined by the North Atlantic Council. The NATO Response Force is also intended to be a catalyst for focusing and promoting improvements in NATO's military capabilities. It is expected to have initial operational capability by October 2004, and full operational capability by October 2006.

Deadline.

(b) ANNUAL REPORT.—(1) Not later than January 31 of each year through 2008, the Secretary of Defense shall submit to the congressional committees specified in paragraph (5) a report, to be prepared in consultation with the Secretary of State, on implementation of the Prague Capabilities Commitment and development of the NATO Response Force by the member nations of the North Atlantic Treaty Organization (NATO).

(2) The annual report under this subsection shall include the following matters:

(A) A description of the actions taken by NATO as a whole and by each member nation of NATO other than the United States to further the Prague Capabilities Commitment, including any actions taken to improve capability shortfalls in the areas identified for improvement.

(B) A description of the actions taken by NATO as a whole and by each member nation of NATO, including the United States, to create the NATO Response Force.

(C) A discussion of the relationship between NATO's efforts to improve capabilities through the Prague Capabilities

Commitment and those of the European Union to enhance European capabilities through the European Capabilities Action Plan, including the extent to which they are mutually reinforcing.

(D) A discussion of NATO decisionmaking on the implementation of the Prague Capabilities Commitment and the development of the NATO Response Force, including—

(i) an assessment of whether the Prague Capabilities Commitment and the NATO Response Force are the sole jurisdiction of the Defense Planning Committee, the North Atlantic Council, or the Military Committee;

(ii) a description of the circumstances which led to the defense, military, security, and nuclear decisions of NATO on matters such as the Prague Capabilities Commitment and the NATO Response Force being made in bodies other than the Defense Planning Committee;

(iii) a description of the extent to which any member that does not participate in the integrated military structure of NATO contributes to each of the component committees of NATO, including any and all committees relevant to the Prague Capabilities Commitment and the NATO Response Force;

(iv) a description of the extent to which any member that does not participate in the integrated military structure of NATO participates in deliberations and decisions of NATO on resource policy, contribution ceilings, infrastructure, force structure, modernization, threat assessments, training, exercises, deployments, and other issues related to the Prague Capabilities Commitment or the NATO Response Force;

(v) a description and assessment of the impediments, if any, that would preclude or limit NATO from conducting deliberations and making decisions on matters such as the Prague Capabilities Commitment or the NATO Response Force solely in the Defense Planning Committee; and

(vi) the recommendations of the Secretary of Defense on streamlining defense, military, and security decisionmaking within NATO relating to the Prague Capabilities Commitment, the NATO Response Force, and other matters, including an assessment of the feasibility and advisability of the greater utilization of the Defense Planning Committee for such purposes.

(3) In the case of a report under this subsection after the first such report, the information submitted in such report under any of clauses (i) through (vi) of subparagraph (D) of paragraph (2) may consist solely of an update of any information previously submitted under that clause in a preceding report under this subsection.

(4) Each report under this subsection shall be submitted in unclassified form, but may also be submitted in classified form if necessary.

(5) The committees specified in this paragraph are—

(A) the Committee on Armed Services and the Committee on Foreign Relations of the Senate; and

(B) the Committee on Armed Services and the Committee on International Relations of the House of Representatives.

SEC. 1232. REPORT ON ACTIONS THAT COULD BE TAKEN REGARDING COUNTRIES THAT INITIATE CERTAIN LEGAL ACTIONS AGAINST UNITED STATES OFFICIALS OR MEMBERS OF THE ARMED FORCES.

(a) FINDING.—Congress finds that actions for or on behalf of a foreign government that constitute attempts to commence legal proceedings against, or attempts to compel the appearance of or production of documents from, any current or former official or employee of the United States or member of the Armed Forces of the United States relating to the performance of official duties, other than pursuant to a status of forces agreement or other international agreement to which the United States is a party, may have a negative effect on the ability of the United States to take necessary and timely military action.

Deadline.

(b) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on appropriate steps that could be taken by the Department of Defense (such as restrictions on military travel, limitations on military support and exchange programs, and consideration of relocating, or limiting funding for, United States or allied military commands, headquarters, or organizations) to respond to an action by a foreign government described in subsection (a).

SEC. 1233. SENSE OF CONGRESS ON REDEPLOYMENT OF UNITED STATES FORCES IN EUROPE.

(a) FINDINGS.—Congress makes the following findings:

(1) In March 1999, in its initial round of expansion, the North Atlantic Treaty Organization (NATO) admitted Poland, the Czech Republic, and Hungary to the Alliance.

(2) At the Prague Summit on November 21–22, 2002, the NATO heads of state and government invited the countries of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia to join the Alliance.

(3) The countries admitted in the initial round of expansion referred to in paragraph (1) and the seven new invitee nations referred to in paragraph (2) will in combination significantly alter the nature of the Alliance.

(4) During the first 50 years of the Alliance, NATO materially contributed to the security and stability of Western Europe, bringing peace and prosperity to the member nations.

(5) The expansion of NATO is an opportunity to assist the invitee nations in gaining the capabilities to ensure peace, prosperity, and democracy for themselves during the next 50 years of the Alliance.

(6) The military structure and mission of NATO has changed, no longer being focused on the threat of a Soviet invasion, but evolving to handle new threats and new missions in the area of crisis management, peacekeeping, and peace-support in and beyond the Euro-Atlantic area of operations.

(b) SENSE OF CONGRESS.—In light of the findings in subsection (a), it is the sense of Congress that—

(1) the expansion of the North Atlantic Treaty Organization Alliance and the evolution of the military mission of that Alliance requires a fundamental reevaluation of the current posture of United States forces stationed in Europe; and

(2) the Secretary of Defense, in consultation with the Secretary of State, should—

(A) initiate a reevaluation referred to in paragraph (1); and

(B) in carrying out such a reevaluation, consider a military posture that takes maximum advantage of basing and training opportunities in the newly admitted and invitee states referred to in paragraphs (1) and (2), respectively, of subsection (a).

SEC. 1234. SENSE OF CONGRESS CONCERNING NAVY PORT CALLS IN ISRAEL.

It is the sense of Congress that—

(1) the United States has invested significant amounts of funds in expanding the capacity and security of the port of Haifa, Israel, and the United States Navy should be able to implement the necessary force protection measures that would enable it to take advantage of the repair, replenishment, and communications links available at that port;

(2) the Secretary of Defense and the Secretary of the Navy should conclude discussions with the Government of Israel and the Israel Defense Forces to establish appropriate and effective arrangements to ensure the safety of United States Navy vessels and personnel during port visits to Haifa, Israel; and

(3) upon such arrangements being made, the United States Navy should consider resumption of regular port visits to Haifa, Israel.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1302. Funding allocations.
Sec. 1303. Limitation on use of funds until certain permits obtained.
Sec. 1304. Limitation on use of funds for biological research in the former Soviet Union.
Sec. 1305. Requirement for on-site managers.
Sec. 1306. Temporary authority to waive limitation on funding for chemical weapons destruction facility in Russia.
Sec. 1307. Annual certifications on use of facilities being constructed for Cooperative Threat Reduction projects or activities.
Sec. 1308. Authority to use Cooperative Threat Reduction funds outside the former Soviet Union.

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

22 USC 5960 note.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2004 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term "fiscal year 2004 Cooperative Threat Reduction funds" means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative

Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $450,800,000 authorized to be appropriated to the Department of Defense for fiscal year 2004 in section 301(19) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $57,600,000.

(2) For strategic nuclear arms elimination in Ukraine, $3,900,000.

(3) For nuclear weapons transportation security in Russia, $23,200,000.

(4) For nuclear weapons storage security in Russia, $48,000,000.

(5) For activities designated as Other Assessments/Administrative Support, $13,100,000.

(6) For defense and military contacts, $11,100,000.

(7) For chemical weapons destruction in Russia, $200,300,000.

(8) For biological weapons proliferation prevention in the former Soviet Union, $54,200,000.

(9) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, $39,400,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2004 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (9) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2004 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2004 for a purpose listed in any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

Notification.

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (5) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. LIMITATION ON USE OF FUNDS UNTIL CERTAIN PERMITS OBTAINED.

22 USC 5960.

(a) IN GENERAL.—The Secretary of Defense shall seek to obtain all the permits required to complete each phase of construction of a project under Cooperative Threat Reduction programs before obligating significant amounts of funding for that phase of the project.

(b) USE OF FUNDS FOR NEW CONSTRUCTION PROJECTS.—Except as provided in subsection (e), with respect to a new construction project to be carried out by the Department of Defense under Cooperative Threat Reduction programs, not more than 40 percent of the total costs of the project may be obligated from Cooperative Threat Reduction funds for any fiscal year until the Secretary of Defense—

(1) determines the number and type of permits that may be required for the lifetime of the project in the proposed location or locations of the project; and

(2) obtains from the State in which the project is to be located any permits that may be required to begin construction.

(c) IDENTIFICATION OF REQUIRED PERMITS FOR ONGOING INCOMPLETE CONSTRUCTION PROJECTS.—With respect to an incomplete construction project carried out by the Department of Defense under Cooperative Threat Reduction programs, the Secretary shall identify all the permits that are required for the lifetime of the project not later than 120 days after the date of the enactment of this Act.

Deadline.

(d) USE OF FUNDS FOR CERTAIN INCOMPLETE CONSTRUCTION PROJECTS.—Except as provided in subsection (e), with respect to an incomplete construction project carried out by the Department of Defense under Cooperative Threat Reduction programs for which construction has not yet commenced as of the date of the enactment of this Act, not more than 40 percent of the total costs of the project may be obligated from Cooperative Threat Reduction funds for any fiscal year until the Secretary obtains from the State in which the project is located the permits required to commence construction on the project.

(e) EXCEPTION TO LIMITATIONS ON USE OF FUNDS.—The limitation in subsection (b) or (d) on the obligation of funds for a construction project otherwise covered by such subsection shall not apply with respect to the obligation of funds for a particular project if the Secretary—

(1) determines that it is necessary in the national interest to obligate funds for such project; and

(2) submits to the congressional defense committees a notification of the intent to obligate funds for such project, together with a complete discussion of the justification for doing so.

(f) DEFINITIONS.—In this section, with respect to a project under Cooperative Threat Reduction programs:

(1) INCOMPLETE CONSTRUCTION PROJECT.—The term “incomplete construction project” means a construction project for which funds have been obligated or expended before the date of the enactment of this Act and which is not completed as of such date.

(2) NEW CONSTRUCTION PROJECT.—The term “new construction project” means a construction project for which no funds

have been obligated or expended as of the date of the enactment of this Act.

(3) PERMIT.—The term "permit" means any local or national permit for development, general construction, environmental, land use, or other purposes that is required for purposes of major construction in a state of the former Soviet Union in which the construction project is being or is proposed to be carried out.

SEC. 1304. LIMITATION ON USE OF FUNDS FOR BIOLOGICAL RESEARCH IN THE FORMER SOVIET UNION.

(a) LIMITATION ON USE OF FUNDS.—Except as provided in subsection (b), none of the funds authorized to be appropriated pursuant to section 1302 for biological weapons proliferation prevention may be obligated to begin any collaborative biodefense research or bioattack early warning and preparedness project under a Cooperative Threat Reduction program at a facility in a state of the former Soviet Union until the Secretary of Defense notifies Congress that the Secretary—

(1) has determined, through access to the facility, that no offensive biological weapons research prohibited by international law is being conducted at the facility; and

(2) has determined that appropriate security measures have begun to be, or will be, put in place at the facility to prevent theft of dangerous pathogens from the facility.

(b) AVAILABILITY OF FUNDS FOR DETERMINATIONS.—Of the funds referred to in subsection (a) that are available for projects referred to in that subsection, up to 25 percent of such funds may be obligated and expended for purposes of making determinations referred to in that subsection.

(c) FACILITY DEFINED.—In this section, the term "facility" means the buildings and areas at a location in which Cooperative Threat Reduction program work is actually being conducted.

22 USC 5961.

SEC. 1305. REQUIREMENT FOR ON-SITE MANAGERS.

(a) ON-SITE MANAGER REQUIREMENT.—Before obligating any Cooperative Threat Reduction funds for a project described in subsection (b), the Secretary of Defense shall appoint one on-site manager for that project. The manager shall be appointed from among employees of the Federal Government.

(b) PROJECTS COVERED.—Subsection (a) applies to a project—

(1) to be located in a state of the former Soviet Union;

(2) which involves dismantlement, destruction, or storage facilities, or construction of a facility; and

(3) with respect to which the total contribution by the Department of Defense is expected to exceed $50,000,000.

(c) DUTIES OF ON-SITE MANAGER.—The on-site manager appointed under subsection (a) shall—

(1) develop, in cooperation with representatives from governments of countries participating in the project, a list of those steps or activities critical to achieving the project's disarmament or nonproliferation goals;

(2) establish a schedule for completing those steps or activities;

(3) meet with all participants to seek assurances that those steps or activities are being completed on schedule; and

(4) suspend United States participation in a project when a non-United States participant fails to complete a scheduled

step or activity on time, unless directed by the Secretary of Defense to resume United States participation.

(d) AUTHORITY TO MANAGE MORE THAN ONE PROJECT.—(1) Subject to paragraph (2), an employee of the Federal Government may serve as on-site manager for more than one project, including projects at different locations.

(2) If such an employee serves as on-site manager for more than one project in a fiscal year, the total cost of the projects for that fiscal year may not exceed $150,000,000.

(e) STEPS OR ACTIVITIES.—Steps or activities referred to in subsection (c)(1) are those activities that, if not completed, will prevent a project from achieving its disarmament or nonproliferation goals, including, at a minimum, the following:

(1) Identification and acquisition of permits (as defined in section 1303).

(2) Verification that the items, substances, or capabilities to be dismantled, secured, or otherwise modified are available for dismantlement, securing, or modification.

(3) Timely provision of financial, personnel, management, transportation, and other resources.

(f) NOTIFICATION TO CONGRESS.—In any case in which the Secretary of Defense directs an on-site manager to resume United States participation in a project under subsection (c)(4), the Secretary shall concurrently notify Congress of such direction.

(g) EFFECTIVE DATE.—This section shall take effect six months after the date of the enactment of this Act.

SEC. 1306. TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

(a) TEMPORARY AUTHORITY.—The conditions described in section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 22 U.S.C. 5952 note) shall not apply to the obligation and expenditure of funds available for obligation during fiscal year 2004 for the planning, design, or construction of a chemical weapons destruction facility in Russia if the President submits to Congress a written certification that includes—

(1) a statement as to why the waiver of the conditions is important to the national security interests of the United States;

(2) a full and complete justification for the waiver of the conditions; and

(3) a plan to promote a full and accurate disclosure by Russia regarding the size, content, status, and location of its chemical weapons stockpile.

(b) EXPIRATION.—The authority in subsection (a) shall expire on September 30, 2004.

SEC. 1307. ANNUAL CERTIFICATIONS ON USE OF FACILITIES BEING CONSTRUCTED FOR COOPERATIVE THREAT REDUCTION PROJECTS OR ACTIVITIES.

22 USC 5962.

(a) CERTIFICATION ON USE OF FACILITIES BEING CONSTRUCTED.—Not later than the first Monday of February each year, the Secretary of Defense shall submit to the congressional defense committees a certification for each facility for a Cooperative Threat Reduction project or activity for which construction occurred during the preceding fiscal year on matters as follows:

(1) Whether or not such facility will be used for its intended purpose by the government of the state of the former Soviet Union in which the facility is constructed.

(2) Whether or not the government of such state remains committed to the use of such facility for its intended purpose.

(3) Whether those actions needed to ensure security at the facility, including secure transportation of any materials, substances, or weapons to, from, or within the facility, have been taken.

(b) APPLICABILITY.—Subsection (a) shall apply to—

(1) any facility the construction of which commences on or after the date of the enactment of this Act; and

(2) any facility the construction of which is ongoing as of that date.

22 USC 5963.

SEC. 1308. AUTHORITY TO USE COOPERATIVE THREAT REDUCTION FUNDS OUTSIDE THE FORMER SOVIET UNION.

(a) AUTHORITY.—Subject to the provisions of this section, the President may obligate and expend Cooperative Threat Reduction funds for a fiscal year, and any Cooperative Threat Reduction funds for a fiscal year before such fiscal year that remain available for obligation, for a proliferation threat reduction project or activity outside the states of the former Soviet Union if the President determines each of the following:

(1) That such project or activity will—

(A)(i) assist the United States in the resolution of a critical emerging proliferation threat; or

(ii) permit the United States to take advantage of opportunities to achieve long-standing nonproliferation goals; and

(B) be completed in a short period of time.

(2) That the Department of Defense is the entity of the Federal Government that is most capable of carrying out such project or activity.

(b) SCOPE OF AUTHORITY.—The authority in subsection (a) to obligate and expend funds for a project or activity includes authority to provide equipment, goods, and services for such project or activity utilizing such funds, but does not include authority to provide cash directly to such project or activity.

(c) LIMITATION ON TOTAL AMOUNT OF OBLIGATION.—The amount that may be obligated in a fiscal year under the authority in subsection (a) may not exceed $50,000,000.

(d) LIMITATION ON AVAILABILITY OF FUNDS.—(1) The President may not obligate funds for a project or activity under the authority in subsection (a) until the President makes each determination specified in that subsection with respect to such project or activity.

(2) Not later than 10 days after obligating funds under the authority in subsection (a) for a project or activity, the President shall notify Congress in writing of the determinations made under paragraph (1) with respect to such project or activity, together with—

(A) a justification for such determinations; and

(B) a description of the scope and duration of such project or activity.

(e) ADDITIONAL LIMITATIONS AND REQUIREMENTS.—Except as otherwise provided in subsections (a) and (b), the exercise of the authority in subsection (a) shall be subject to any requirement or limitation under another provision of law as follows:

(1) Any requirement for prior notice or other reports to Congress on the use of Cooperative Threat Reduction funds or on Cooperative Threat Reduction projects or activities.

(2) Any limitation on the obligation or expenditure of Cooperative Threat Reduction funds.

(3) Any limitation on Cooperative Threat Reduction projects or activities.

TITLE XIV—SERVICES ACQUISITION REFORM

Services Acquisition Reform Act of 2003.

Sec. 1401. Short title.

Subtitle A—Acquisition Workforce and Training

Sec. 1411. Definition of acquisition.
Sec. 1412. Acquisition workforce training fund.
Sec. 1413. Acquisition workforce recruitment program.
Sec. 1414. Architectural and engineering acquisition workforce.

Subtitle B—Adaptation of Business Acquisition Practices

Part I—Adaptation of Business Management Practices

Sec. 1421. Chief Acquisition Officers.
Sec. 1422. Chief Acquisition Officers Council.
Sec. 1423. Statutory and regulatory review.

Part II—Other Acquisition Improvements

Sec. 1426. Extension of authority to carry out franchise fund programs.
Sec. 1427. Improvements in contracting for architectural and engineering services.
Sec. 1428. Authorization of telecommuting for Federal contractors.

Subtitle C—Acquisitions of Commercial Items

Sec. 1431. Additional incentive for use of performance-based contracting for services.
Sec. 1432. Authorization of additional commercial contract types.
Sec. 1433. Clarification of commercial services definition.

Subtitle D—Other Matters

Sec. 1441. Authority to enter into certain transactions for defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack.
Sec. 1442. Public disclosure of noncompetitive contracting for the reconstruction of infrastructure in Iraq.
Sec. 1443. Special emergency procurement authority.

SEC. 1401. SHORT TITLE.

41 USC 401 note.

This title may be cited as the “Services Acquisition Reform Act of 2003”.

Subtitle A—Acquisition Workforce and Training

SEC. 1411. DEFINITION OF ACQUISITION.

Section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) is amended by adding at the end the following:

“(16) The term ‘acquisition’—

“(A) means the process of acquiring, with appropriated funds, by contract for purchase or lease, property or services (including construction) that support the missions and goals of an executive agency, from the point at which the requirements of the executive agency are established in consultation with the chief acquisition officer of the executive agency; and

"(B) includes—

"(i) the process of acquiring property or services that are already in existence, or that must be created, developed, demonstrated, and evaluated;

"(ii) the description of requirements to satisfy agency needs;

"(iii) solicitation and selection of sources;

"(iv) award of contracts;

"(v) contract performance;

"(vi) contract financing;

"(vii) management and measurement of contract performance through final delivery and payment; and

"(viii) technical and management functions directly related to the process of fulfilling agency requirements by contract.".

SEC. 1412. ACQUISITION WORKFORCE TRAINING FUND.

41 USC 433 note.

(a) PURPOSES.—The purposes of this section are to ensure that the Federal acquisition workforce—

(1) adapts to fundamental changes in the nature of Federal Government acquisition of property and services associated with the changing roles of the Federal Government; and

(2) acquires new skills and a new perspective to enable it to contribute effectively in the changing environment of the 21st century.

(b) ESTABLISHMENT OF FUND.—Section 37 of the Office of Federal Procurement Policy Act (41 U.S.C. 433) is amended by adding at the end of subsection (h) the following new paragraph:

"(3) ACQUISITION WORKFORCE TRAINING FUND.—(A) The Administrator of General Services shall establish an acquisition workforce training fund. The Administrator shall manage the fund through the Federal Acquisition Institute to support the training of the acquisition workforce of the executive agencies other than the Department of Defense. The Administrator shall consult with the Administrator for Federal Procurement Policy in managing the fund.

"(B) There shall be credited to the acquisition workforce training fund 5 percent of the fees collected by executive agencies (other than the Department of Defense) under the following contracts:

"(i) Governmentwide task and delivery-order contracts entered into under sections 303H and 303I of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h and 253i).

"(ii) Governmentwide contracts for the acquisition of information technology as defined in section 11101 of title 40, United States Code, and multiagency acquisition contracts for such technology authorized by section 11314 of such title.

"(iii) Multiple-award schedule contracts entered into by the Administrator of General Services.

"(C) The head of an executive agency that administers a contract described in subparagraph (B) shall remit to the

General Services Administration the amount required to be credited to the fund with respect to such contract at the end of each quarter of the fiscal year.

"(D) The Administrator of General Services, through the Office of Federal Acquisition Policy, shall ensure that funds collected for training under this section are not used for any purpose other than the purpose specified in subparagraph (A).

"(E) Amounts credited to the fund shall be in addition to funds requested and appropriated for education and training referred to in paragraph (1).

"(F) Amounts credited to the fund shall remain available to be expended only in the fiscal year for which credited and the two succeeding fiscal years.

"(G) This paragraph shall cease to be effective five years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004.".

41 USC 433 note.

(c) EXCEPTION.—This section and the amendments made by this section shall not apply to the acquisition workforce of the Department of Defense. Fees charged to the Department of Defense under contracts covered by section 37(h)(3) of the Office of Federal Procurement Policy Act, as added by subsection (b), shall be reduced by 5 percent to reflect the Department's nonparticipation in the acquisition workforce training fund established by such section.

41 USC 433 note.

SEC. 1413. ACQUISITION WORKFORCE RECRUITMENT PROGRAM.

(a) DETERMINATION OF SHORTAGE CATEGORY POSITIONS.—For purposes of sections 3304, 5333, and 5753 of title 5, United States Code, the head of a department or agency of the United States (other than the Secretary of Defense) may determine, under regulations prescribed by the Office of Personnel Management, that certain Federal acquisition positions (as described in section 37(g)(1)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 433(g)(1)(A)) are shortage category positions in order to use the authorities in those sections to recruit and appoint highly qualified persons directly to such positions in the department or agency.

(b) TERMINATION OF AUTHORITY.—The head of a department or agency may not appoint a person to a position of employment under this section after September 30, 2007.

(c) REPORT.—Not later than March 31, 2007, the Director of the Office of Personnel Management, in consultation with the Administrator for Federal Procurement Policy, shall submit to Congress a report on the implementation of this section. The report shall include—

(1) a list of the departments and agencies that exercised the authority provided in this section, and whether the exercise of the authority was carried out in accordance with the regulations prescribed by the Office of Personnel Management;

(2) the Director's assessment of the efficacy of the exercise of the authority provided in this section in attracting employees with unusually high qualifications to the acquisition workforce; and

(3) any recommendations considered appropriate by the Director on whether the authority to carry out the program should be extended.

41 USC 433 note.

SEC. 1414. ARCHITECTURAL AND ENGINEERING ACQUISITION WORKFORCE.

The Administrator for Federal Procurement Policy, in consultation with the Secretary of Defense, the Administrator of General Services, and the Director of the Office of Personnel Management, shall develop and implement a plan to ensure that the Federal Government maintains the necessary capability with respect to the acquisition of architectural and engineering services to—

(1) ensure that Federal Government employees have the expertise to determine agency requirements for such services;

(2) establish priorities and programs (including acquisition plans);

(3) establish professional standards;

(4) develop scopes of work; and

(5) award and administer contracts for such services.

Subtitle B—Adaptation of Business Acquisition Practices

PART I—ADAPTATION OF BUSINESS MANAGEMENT PRACTICES

SEC. 1421. CHIEF ACQUISITION OFFICERS.

(a) Appointment of Chief Acquisition Officers.—(1) Section 16 of the Office of Federal Procurement Policy Act (41 U.S.C. 414) is amended to read as follows:

"SEC. 16. CHIEF ACQUISITION OFFICERS AND SENIOR PROCUREMENT EXECUTIVES.

"(a) Establishment of Agency Chief Acquisition Officers.—(1) The head of each executive agency described in section 901(b)(1) (other than the Department of Defense) or section 901(b)(2)(C) of title 31, United States Code, with a Chief Financial Officer appointed or designated under section 901(a) of such title shall appoint or designate a non-career employee as Chief Acquisition Officer for the agency, who shall—

"(A) have acquisition management as that official's primary duty; and

"(B) advise and assist the head of the executive agency and other agency officials to ensure that the mission of the executive agency is achieved through the management of the agency's acquisition activities.

"(b) Authority and Functions of Agency Chief Acquisition Officers.—The functions of each Chief Acquisition Officer shall include—

"(1) monitoring the performance of acquisition activities and acquisition programs of the executive agency, evaluating the performance of those programs on the basis of applicable performance measurements, and advising the head of the executive agency regarding the appropriate business strategy to achieve the mission of the executive agency;

"(2) increasing the use of full and open competition in the acquisition of property and services by the executive agency by establishing policies, procedures, and practices that ensure that the executive agency receives a sufficient number of sealed bids or competitive proposals from responsible sources to fulfill the Government's requirements (including performance and delivery schedules) at the lowest cost or best value considering the nature of the property or service procured;

"(3) increasing appropriate use of performance-based contracting and performance specifications;

"(4) making acquisition decisions consistent with all applicable laws and establishing clear lines of authority, accountability, and responsibility for acquisition decisionmaking within the executive agency;

"(5) managing the direction of acquisition policy for the executive agency, including implementation of the unique acquisition policies, regulations, and standards of the executive agency;

"(6) developing and maintaining an acquisition career management program in the executive agency to ensure that there is an adequate professional workforce; and

"(7) as part of the strategic planning and performance evaluation process required under section 306 of title 5, United States Code, and sections 1105(a)(28), 1115, 1116, and 9703 of title 31, United States Code—

"(A) assessing the requirements established for agency personnel regarding knowledge and skill in acquisition resources management and the adequacy of such requirements for facilitating the achievement of the performance goals established for acquisition management;

"(B) in order to rectify any deficiency in meeting such requirements, developing strategies and specific plans for hiring, training, and professional development; and

"(C) reporting to the head of the executive agency on the progress made in improving acquisition management capability.

"(c) SENIOR PROCUREMENT EXECUTIVE.—(1) The head of each executive agency shall designate a senior procurement executive who shall be responsible for management direction of the procurement system of the executive agency, including implementation of the unique procurement policies, regulations, and standards of the executive agency.

"(2) In the case of an executive agency for which a Chief Acquisition Officer has been appointed or designated under subsection (a), the head of such executive agency shall either—

"(A) designate the Chief Acquisition Officer as the senior procurement executive for the executive agency; or

"(B) ensure that the senior procurement executive designated for the executive agency under paragraph (1) reports directly to the Chief Acquisition Officer without intervening authority.".

(2) The item relating to section 16 in the table of contents in section 1(b) of such Act is amended to read as follows:

"Sec. 16. Chief Acquisition Officers and senior procurement executives.".

(b) TECHNICAL CORRECTION.—Section 1115(a) of title 31, United States Code, is amended by striking "section 1105(a)(29)" and inserting "section 1105(a)(28)".

SEC. 1422. CHIEF ACQUISITION OFFICERS COUNCIL.

(a) ESTABLISHMENT OF COUNCIL.—The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by inserting after section 16 the following new section:

41 USC 414b.

“SEC. 16A. CHIEF ACQUISITION OFFICERS COUNCIL.

“(a) ESTABLISHMENT.—There is established in the executive branch a Chief Acquisition Officers Council.

“(b) MEMBERSHIP.—The members of the Council shall be as follows:

“(1) The Deputy Director for Management of the Office of Management and Budget, who shall act as Chairman of the Council.

“(2) The Administrator for Federal Procurement Policy.

“(3) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

“(4) The chief acquisition officer of each executive agency that is required to have a chief acquisition officer under section 16 and the senior procurement executive of each military department.

“(5) Any other senior agency officer of each executive agency, appointed by the head of the agency in consultation with the Chairman, who can effectively assist the Council in performing the functions set forth in subsection (e) and supporting the associated range of acquisition activities.

“(c) LEADERSHIP; SUPPORT.—(1) The Administrator for Federal Procurement Policy shall lead the activities of the Council on behalf of the Deputy Director for Management.

“(2)(A) The Vice Chairman of the Council shall be selected by the Council from among its members.

“(B) The Vice Chairman shall serve a 1-year term, and may serve multiple terms.

“(3) The Administrator of General Services shall provide administrative and other support for the Council.

“(d) PRINCIPAL FORUM.—The Council is designated the principal interagency forum for monitoring and improving the Federal acquisition system.

“(e) FUNCTIONS.—The Council shall perform functions that include the following:

“(1) Develop recommendations for the Director of the Office of Management and Budget on Federal acquisition policies and requirements.

“(2) Share experiences, ideas, best practices, and innovative approaches related to Federal acquisition.

“(3) Assist the Administrator in the identification, development, and coordination of multiagency projects and other innovative initiatives to improve Federal acquisition.

“(4) Promote effective business practices that ensure the timely delivery of best value products to the Federal Government and achieve appropriate public policy objectives.

“(5) Further integrity, fairness, competition, openness, and efficiency in the Federal acquisition system.

“(6) Work with the Office of Personnel Management to assess and address the hiring, training, and professional development needs of the Federal Government related to acquisition.

"(7) Work with the Administrator and the Federal Acquisition Regulatory Council to promote the business practices referred to in paragraph (4) and other results of the functions carried out under this subsection.".

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 16 the following new item:

"Sec. 16A. Chief Acquisition Officers Council.".

SEC. 1423. STATUTORY AND REGULATORY REVIEW.

41 USC 405 note.

Deadline.

(a) ESTABLISHMENT.—Not later than 90 days after the date of the enactment of this Act, the Administrator for Federal Procurement Policy shall establish an advisory panel to review laws and regulations regarding the use of commercial practices, performance-based contracting, the performance of acquisition functions across agency lines of responsibility, and the use of Governmentwide contracts.

(b) MEMBERSHIP.—The panel shall be composed of at least nine individuals who are recognized experts in acquisition law and Government acquisition policy. In making appointments to the panel, the Administrator shall—

(1) consult with the Secretary of Defense, the Administrator of General Services, the Committees on Armed Services and Government Reform of the House of Representatives, and the Committees on Armed Services and Governmental Affairs of the Senate; and

(2) ensure that the members of the panel reflect the diverse experiences in both the public and private sectors, including academia.

(c) DUTIES.—The panel shall—

(1) review all Federal acquisition laws and regulations, and, to the extent practicable, government-wide acquisition policies, with a view toward ensuring effective and appropriate use of commercial practices and performance-based contracting; and

(2) make any recommendations for the modification of such laws, regulations, or policies that are considered necessary as a result of such review—

(A) to protect the best interests of the Federal Government;

(B) to ensure the continuing financial and ethical integrity of acquisitions by the Federal Government; and

(C) to amend or eliminate any provisions in such laws, regulations, or policies that are unnecessary for the effective, efficient, and fair award and administration of contracts for the acquisition by the Federal Government of goods and services.

Deadline.

(d) REPORT.—Not later than one year after the establishment of the panel, the panel shall submit to the Administrator and to the Committees on Armed Services and Government Reform of the House of Representatives and the Committees on Armed Services and Governmental Affairs of the Senate a report containing a detailed statement of the findings, conclusions, and recommendations of the panel.

PART II—OTHER ACQUISITION IMPROVEMENTS

SEC. 1426. EXTENSION OF AUTHORITY TO CARRY OUT FRANCHISE FUND PROGRAMS.

Section 403(f) of the Federal Financial Management Act of 1994 (Public Law 103–356; 31 U.S.C. 501 note) is amended by striking “October 1, 2003” and inserting “December 31, 2004”.

SEC. 1427. IMPROVEMENTS IN CONTRACTING FOR ARCHITECTURAL AND ENGINEERING SERVICES.

(a) TITLE 10.—Section 2855(b) of title 10, United States Code, is amended in paragraph (2), by striking “$85,000” and inserting “$300,000”.

40 USC 1103 note.

(b) ARCHITECTURAL AND ENGINEERING SERVICES.—Architectural and engineering services (as defined in section 1102 of title 40, United States Code) shall not be offered under multiple-award schedule contracts entered into by the Administrator of General Services or under Governmentwide task and delivery order contracts entered into under sections 2304a and 2304b of title 10, United States Code, or sections 303H and 303I of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h and 253i) unless such services—

(1) are performed under the direct supervision of a professional architect or engineer licensed, registered, or certified in the State, territory (including the Commonwealth of Puerto Rico), possession, or Federal District in which the services are to be performed; and

(2) are awarded in accordance with the selection procedures set forth in chapter 11 of title 40, United States Code.

41 USC 253a note.

SEC. 1428. AUTHORIZATION OF TELECOMMUTING FOR FEDERAL CONTRACTORS.

Deadline.

(a) AMENDMENT TO THE FEDERAL ACQUISITION REGULATION.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulatory Council shall amend the Federal Acquisition Regulation issued in accordance with sections 6 and 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 405 and 421) to permit telecommuting by employees of Federal Government contractors in the performance of contracts entered into with executive agencies.

(b) CONTENT OF AMENDMENT.—The regulation issued pursuant to subsection (a) shall, at a minimum, provide that solicitations for the acquisition of property or services may not set forth any requirement or evaluation criteria that would—

(1) render an offeror ineligible to enter into a contract on the basis of the inclusion of a plan of the offeror to permit the offeror’s employees to telecommute, unless the contracting officer concerned first determines that the requirements of the agency, including security requirements, cannot be met if the telecommuting is permitted and documents in writing the basis for that determination; or

(2) reduce the scoring of an offer on the basis of the inclusion in the offer of a plan of the offeror to permit the offeror’s employees to telecommute, unless the contracting officer concerned first determines that the requirements of the agency, including security requirements, would be adversely impacted

if telecommuting is permitted and documents in writing the basis for that determination.

(c) DEFINITION.—In this section, the term "executive agency" has the meaning given that term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

Subtitle C—Acquisitions of Commercial Items

SEC. 1431. ADDITIONAL INCENTIVE FOR USE OF PERFORMANCE-BASED CONTRACTING FOR SERVICES.

(a) IN GENERAL.—The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by adding at the end the following new section:

"SEC. 41. INCENTIVES FOR EFFICIENT PERFORMANCE OF SERVICES CONTRACTS. 41 USC 437.

"(a) INCENTIVE FOR USE OF PERFORMANCE-BASED SERVICES CONTRACTS.—A performance-based contract for the procurement of services entered into by an executive agency or a performance-based task order for services issued by an executive agency may be treated as a contract for the procurement of commercial items if—

"(1) the value of the contract or task order is estimated not to exceed $25,000,000;

"(2) the contract or task order sets forth specifically each task to be performed and, for each task—

"(A) defines the task in measurable, mission-related terms;

"(B) identifies the specific end products or output to be achieved; and

"(C) contains firm, fixed prices for specific tasks to be performed or outcomes to be achieved; and

"(3) the source of the services provides similar services to the general public under terms and conditions similar to those offered to the Federal Government.

"(b) REGULATIONS.—The regulations implementing this section shall require agencies to collect and maintain reliable data sufficient to identify the contracts or task orders treated as contracts for commercial items using the authority of this section. The data may be collected using the Federal Procurement Data System or other reporting mechanism.

Deadline.

"(c) REPORT.—Not later than two years after the date of the enactment of this section, the Director of the Office of Management and Budget shall prepare and submit to the Committees on Governmental Affairs and on Armed Services of the Senate and the Committees on Government Reform and on Armed Services of the House of Representatives a report on the contracts or task orders treated as contracts for commercial items using the authority of this section. The report shall include data on the use of such authority both government-wide and for each department and agency.

"(d) EXPIRATION.—The authority under this section shall expire 10 years after the date of the enactment of this section.".

Deadline.
41 USC 405 note.

(b) CENTER OF EXCELLENCE IN SERVICE CONTRACTING.—Not later than 180 days after the date of the enactment of this Act, the Administrator for Federal Procurement Policy shall establish a center of excellence in contracting for services. The center of excellence shall assist the acquisition community by identifying, and serving as a clearinghouse for, best practices in contracting for services in the public and private sectors.

(c) REPEAL OF SUPERSEDED PROVISION.—Subsection (b) of section 821 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–218; 10 U.S.C. 2302 note) is repealed.

(d) CLERICAL AND TECHNICAL AMENDMENTS.—(1) The table of contents in section 1(b) of such Act is amended by striking the last item and inserting the following:

"Sec. 40. Protection of constitutional rights of contractors.
"Sec. 41. Incentives for efficient performance of services contracts.".

41 USC 436.

(2) The section before section 41 of such Act (as added by subsection (a)) is redesignated as section 40.

SEC. 1432. AUTHORIZATION OF ADDITIONAL COMMERCIAL CONTRACT TYPES.

Section 8002(d) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3387; 41 U.S.C. 264 note) is amended—

(1) by redesignating paragraph (1) as subparagraph (A) and in that subparagraph by striking "and";

(2) by redesignating paragraph (2) as subparagraph (B) and in that subparagraph by striking the period at the end and inserting "; and";

(3) by adding after subparagraph (B) (as so redesignated) the following new subparagraph:

"(C) subject to paragraph (2), authority for use of a time-and-materials contract or a labor-hour contract for the procurement of commercial services that are commonly sold to the general public through such contracts and are purchased by the procuring agency on a competitive basis.";

(4) by striking "USE OF FIRM, FIXED PRICE CONTRACTS.—The" and inserting "PROVISIONS RELATING TO TYPES OF CONTRACTS FOR COMMERCIAL ITEMS.—(1)"; and

(5) by adding at the end the following new paragraphs:

"(2) A time-and-materials contract or a labor-hour contract may be used pursuant to the authority referred to in paragraph (1)(C)—

"(A) only for a procurement of commercial services in a category of commercial services described in paragraph (3); and—

"(B) only if the contracting officer for such procurement—

"(i) executes a determination and findings that no other contract type is suitable;

"(ii) includes in the contract a ceiling price that the contractor exceeds at its own risk; and

"(iii) authorizes any subsequent change in the ceiling price only upon a determination, documented in the contract file, that it is in the best interest of the procuring agency to change such ceiling price.

"(3) The categories of commercial services referred to in paragraph (2) are as follows:

"(A) Commercial services procured for support of a commercial item, as described in section 4(12)(E) of the

Office of Federal Procurement Policy Act (41 U.S.C. 403(12)(E)).

"(B) Any other category of commercial services that is designated by the Administrator for Federal Procurement Policy in the Federal Acquisition Regulation for the purposes of this paragraph on the basis that—

"(i) the commercial services in such category are of a type of commercial services that are commonly sold to the general public through use of time-and-materials or labor-hour contracts; and

"(ii) it would be in the best interests of the Federal Government to authorize use of time-and-materials or labor-hour contracts for purchases of the commercial services in such category.".

SEC. 1433. CLARIFICATION OF COMMERCIAL SERVICES DEFINITION.

Section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) is amended in paragraph (12)(F) by inserting "or specific outcomes to be achieved" after "performed".

Subtitle D—Other Matters

SEC. 1441. AUTHORITY TO ENTER INTO CERTAIN TRANSACTIONS FOR DEFENSE AGAINST OR RECOVERY FROM TERRORISM OR NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL ATTACK.

41 USC 428a note.

(a) AUTHORITY.—

(1) IN GENERAL.—The head of an executive agency who engages in basic research, applied research, advanced research, and development projects that—

(A) are necessary to the responsibilities of such official's executive agency in the field of research and development, and

(B) have the potential to facilitate defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack,

may exercise the same authority (subject to the same restrictions and conditions) with respect to such research and projects as the Secretary of Defense may exercise under section 2371 of title 10, United States Code, except for subsections (b) and (f) of such section 2371.

(2) PROTOTYPE PROJECTS.—The head of an executive agency may, under the authority of paragraph (1), carry out prototype projects that meet the requirements of subparagraphs (A) and (B) of paragraph (1) in accordance with the requirements and conditions provided for carrying out prototype projects under section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2371 note), including that, to the maximum extent practicable, competitive procedures shall be used when entering into agreements to carry out projects under subsection (a) of that section and that the period of authority to carry out projects under such subsection (a) terminates as provided in subsection (g) of that section.

(3) APPLICATION OF REQUIREMENTS AND CONDITIONS.—In applying the requirements and conditions of section 845 of

the National Defense Authorization Act for Fiscal Year 1994 under this subsection—

(A) subsection (c) of that section shall apply with respect to prototype projects carried out under this paragraph; and

(B) the Director of the Office of Management and Budget shall perform the functions of the Secretary of Defense under subsection (d) of that section.

(4) APPLICABILITY TO SELECTED EXECUTIVE AGENCIES.—

(A) OMB AUTHORIZATION REQUIRED.—The head of an executive agency may exercise authority under this subsection for a project only if authorized by the Director of the Office of Management and Budget to use the authority for such project.

(B) RELATIONSHIP TO AUTHORITY OF DEPARTMENT OF HOMELAND SECURITY.—The authority under this subsection shall not apply to the Secretary of Homeland Security while section 831 of the Homeland Security Act of 2002 (Public Law 107–296; 116 Stat. 2224) is in effect.

(b) ANNUAL REPORT.—The annual report of the head of an executive agency that is required under subsection (h) of section 2371 of title 10, United States Code, as applied to the head of the executive agency by subsection (a), shall be submitted to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

(c) REGULATIONS.—The Director of the Office of Management and Budget shall prescribe regulations to carry out this section. No transaction may be conducted under the authority of this section before the date on which such regulations take effect.

(d) TERMINATION OF AUTHORITY.—The authority to carry out transactions under subsection (a) shall terminate on September 30, 2008.

41 USC 253 note.

SEC. 1442. PUBLIC DISCLOSURE OF NONCOMPETITIVE CONTRACTING FOR THE RECONSTRUCTION OF INFRASTRUCTURE IN IRAQ.

(a) DISCLOSURE REQUIRED.—

Federal Register, publication. Deadline.

(1) PUBLICATION AND PUBLIC AVAILABILITY.—The head of an executive agency of the United States that enters into a contract for the repair, maintenance, or construction of infrastructure in Iraq without full and open competition shall publish in the Federal Register or Commerce Business Daily and otherwise make available to the public, not later than 30 days after the date on which the contract is entered into, the following information:

(A) The amount of the contract.

(B) A brief description of the scope of the contract.

(C) A discussion of how the executive agency identified, and solicited offers from, potential contractors to perform the contract, together with a list of the potential contractors that were issued solicitations for the offers.

(D) The justification and approval documents on which was based the determination to use procedures other than procedures that provide for full and open competition.

(2) INAPPLICABILITY TO CONTRACTS AFTER FISCAL YEAR 2005.—Paragraph (1) does not apply to a contract entered into after September 30, 2005.

(b) CLASSIFIED INFORMATION.—

(1) AUTHORITY TO WITHHOLD.—The head of an executive agency may—

(A) withhold from publication and disclosure under subsection (a) any document that is classified for restricted access in accordance with an Executive order in the interest of national defense or foreign policy; and

(B) redact any part so classified that is in a document not so classified before publication and disclosure of the document under subsection (a).

(2) AVAILABILITY TO CONGRESS.—In any case in which the head of an executive agency withholds information under paragraph (1), the head of such executive agency shall make available an unredacted version of the document containing that information to the chairman and ranking member of each of the following committees of Congress:

(A) The Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

(B) The Committees on Appropriations of the Senate and House of Representatives.

(C) Each committee that the head of the executive agency determines has legislative jurisdiction for the operations of such department or agency to which the information relates.

Applicability.

(c) FISCAL YEAR 2003 CONTRACTS.—This section shall apply to contracts entered into on or after October 1, 2002, except that, in the case of a contract entered into before the date of the enactment of this Act, subsection (a) shall be applied as if the contract had been entered into on the date of the enactment of this Act.

(d) RELATIONSHIP TO OTHER DISCLOSURE LAWS.—Nothing in this section shall be construed as affecting obligations to disclose United States Government information under any other provision of law.

(e) DEFINITIONS.—In this section, the terms “executive agency” and “full and open competition” have the meanings given such terms in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

SEC. 1443. SPECIAL EMERGENCY PROCUREMENT AUTHORITY.

(a) PERMANENT AUTHORITY.—(1) The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by inserting after section 32 the following new section:

41 USC 428a.

“SEC. 32A. SPECIAL EMERGENCY PROCUREMENT AUTHORITY.

“(a) APPLICABILITY.—The authorities provided in this section apply with respect to any procurement of property or services by or for an executive agency that, as determined by the head of such executive agency, are to be used—

“(1) in support of a contingency operation; or

“(2) to facilitate the defense against or recovery from nuclear, biological, chemical, or radiological attack against the United States.

“(b) INCREASED THRESHOLDS.—For a procurement to which this section applies under subsection (a)—

“(1) the amount specified in subsections (c), (d), and (f) of section 32 shall be deemed to be $15,000; and

“(2) the term ‘simplified acquisition threshold’ means—

"(A) $250,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and

"(B) $500,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.

"(c) INCREASED LIMITATION ON USE OF SIMPLIFIED ACQUISITION PROCEDURES.—For a procurement to which this section applies under subsection (a), the $5,000,000 limitation in the following provisions of law shall be deemed to be $10,000,000:

"(1) Section 31(a)(2) of this Act.

"(2) Section 2304(g)(1)(B) of title 10, United States Code.

"(3) Section 303(g)(1)(B) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)(1)(B)).

"(d) COMMERCIAL ITEMS AUTHORITY.—(1) The head of an executive agency carrying out a procurement of property or a service to which this section applies under subsection (a)(2) may treat such property or service as a commercial item for the purpose of carrying out such procurement.

"(2) A contract in an amount greater than $15,000,000 that is awarded on a sole source basis for an item or service treated as a commercial item under paragraph (1) shall not be exempt from—

"(A) cost accounting standards promulgated pursuant to section 26 of this Act; or

"(B) cost or pricing data requirements (commonly referred to as truth in negotiating) under section 2306a of title 10, United States Code, and section 304A of title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b).

"(e) CONTINGENCY OPERATION DEFINED.—In this section, the term 'contingency operation' has the meaning given such term in section 101(a)(13) of title 10, United States Code.".

(2) The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 32 the following new item:

"Sec. 32A. Special emergency procurement authority.".

(b) CONTINUATION OF AUTHORITY FOR USE OF SIMPLIFIED ACQUISITION PROCEDURES.—Section 4202(e) of the Clinger-Cohen Act (division D of Public Law 104–106; 110 Stat. 652; 10 U.S.C. 2304 note) is amended by striking "January 1, 2004" and inserting "January 1, 2006".

38 USC 1101 note.

TITLE XV—VETERANS' DISABILITY BENEFITS COMMISSION

Sec. 1501. Establishment of commission.
Sec. 1502. Duties of the commission.
Sec. 1503. Report.
Sec. 1504. Powers of the commission.
Sec. 1505. Personnel matters.
Sec. 1506. Termination of commission.
Sec. 1507. Funding.

SEC. 1501. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—There is hereby established a commission to be known as the Veterans' Disability Benefits

Commission (hereinafter in this title referred to as the “commission”).

(b) MEMBERSHIP.—(1) The commission shall be composed of 13 members, appointed as follows:

(A) Two members appointed by the Speaker of the House of Representatives, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(B) Two members appointed by the minority leader of the House of Representatives, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(C) Two members appointed by the majority leader of the Senate, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(D) Two members appointed by the minority leader of the Senate, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(E) Five members appointed by the President, at least three of whom shall be veterans who were awarded a decoration specified in paragraph (2).

(2) A decoration specified in this paragraph is any of the following:

(A) The Medal of Honor.

(B) The Distinguished Service Cross, the Navy Cross, or the Air Force Cross.

(C) The Silver Star.

(3) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(4) The appointment of members of the commission under this subsection shall be made not later than 60 days after the date of the enactment of this Act.

(c) PERIOD OF APPOINTMENT.—Members of the commission shall be appointed for the life of the commission. A vacancy in the commission shall not affect its powers.

(d) INITIAL MEETING.—The commission shall hold its first meeting not later than 30 days after the date on which a majority of the members of the commission have been appointed.

(e) MEETINGS.—The commission shall meet at the call of the chairman.

(f) QUORUM.—A majority of the members of the commission shall constitute a quorum, but a lesser number may hold hearings.

(g) CHAIRMAN.—The President shall designate a member of the commission to be chairman of the commission.

SEC. 1502. DUTIES OF THE COMMISSION.

(a) STUDY.—The commission shall carry out a study of the benefits under the laws of the United States that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service.

(b) SCOPE OF STUDY.—In carrying out the study, the commission shall examine and make recommendations concerning the following:

(1) The appropriateness of such benefits under the laws in effect on the date of the enactment of this Act.

(2) The appropriateness of the level of such benefits.

(3) The appropriate standard or standards for determining whether a disability or death of a veteran should be compensated.

(c) CONTENTS OF STUDY.—The study to be carried out by the commission under this section shall be a comprehensive evaluation and assessment of the benefits provided under the laws of the United States to compensate veterans and their survivors for disability or death attributable to military service, together with any related issues that the commission determines are relevant to the purposes of the study. The study shall include an evaluation and assessment of the following:

(1) The laws and regulations which determine eligibility for disability and death benefits, and other assistance for veterans and their survivors.

(2) The rates of such compensation, including the appropriateness of a schedule for rating disabilities based on average impairment of earning capacity.

(3) Comparable disability benefits provided to individuals by the Federal Government, State governments, and the private sector.

(d) CONSULTATION WITH INSTITUTE OF MEDICINE.—In carrying out the study under this section, the commission shall consult with the Institute of Medicine of the National Academy of Sciences with respect to the medical aspects of contemporary disability compensation policies.

SEC. 1503. REPORT.

Deadline.

Not later than 15 months after the date on which the commission first meets, the commission shall submit to the President and Congress a report on the study. The report shall include the following:

(1) The findings and conclusions of the commission, including its findings and conclusions with respect to the matters referred to in section 1502(c).

(2) The recommendations of the commission for revising the benefits provided by the United States to veterans and their survivors for disability and death attributable to military service.

(3) Other information and recommendations with respect to such benefits as the commission considers appropriate.

SEC. 1504. POWERS OF THE COMMISSION.

(a) HEARINGS.—The commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the commission considers advisable to carry out the purposes of this title.

(b) INFORMATION FROM FEDERAL AGENCIES.—In addition to the information referred to in section 1502(c), the commission may secure directly from any Federal department or agency such information as the commission considers necessary to carry out the provisions of this title. Upon request of the chairman of the commission, the head of such department or agency shall furnish such information to the commission.

(c) POSTAL SERVICES.—The commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) GIFTS.—The commission may accept, use, and dispose of gifts or donations of services or property.

SEC. 1505. PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the commission who is not an officer or employee of the United States shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the commission. All members of the commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the commission.

(c) STAFF.—(1) The chairman of the commission may, without regard to the civil service laws and regulations, appoint an executive director and such other personnel as may be necessary to enable the commission to perform its duties. The appointment of an executive director shall be subject to approval by the commission.

(2) The chairman of the commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the chairman of the commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the commission to assist it in carrying out its duties.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairman of the commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 1506. TERMINATION OF COMMISSION.

The commission shall terminate 60 days after the date on which the commission submits its report under section 1503.

SEC. 1507. FUNDING.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall, upon the request of the chairman of the commission, make available to the commission such amounts as the commission may require to carry out its duties under this title.

(b) AVAILABILITY.—Any sums made available to the commission under subsection (a) shall remain available, without fiscal year limitation, until the termination of the commission.

TITLE XVI—DEFENSE BIOMEDICAL COUNTERMEASURES

Sec. 1601. Research and development of defense biomedical countermeasures.
Sec. 1602. Procurement of defense biomedical countermeasures.
Sec. 1603. Authorization for medical products for use in emergencies.

10 USC 2370a note.

SEC. 1601. RESEARCH AND DEVELOPMENT OF DEFENSE BIOMEDICAL COUNTERMEASURES.

(a) In General.—The Secretary of Defense (in this section referred to as the "Secretary") shall carry out a program to accelerate the research, development and procurement of biomedical countermeasures, including but not limited to therapeutics and vaccines, for the protection of the Armed Forces from attack by one or more biological, chemical, radiological, or nuclear agents.

(b) Interagency Cooperation.—(1) In carrying out the program under subsection (a), the Secretary may enter into interagency agreements and other collaborative undertakings with other Federal agencies.

(2) The Secretary, through regular, structured, and close consultation with the Secretary of Health and Human Services and the Secretary of Homeland Security, shall ensure that the activities of the Department of Defense in carrying out the program are coordinated with, complement, and do not unnecessarily duplicate activities of the Department of Health and Human Services or the Department of Homeland Security.

(c) Expedited Procurement Authority.—(1) For any procurement of property or services for use (as determined by the Secretary) in performing, administering, or supporting biomedical countermeasures research and development, the Secretary may, when appropriate, use streamlined acquisition procedures and other expedited procurement procedures authorized in—

(A) section 32A of the Office of Federal Procurement Policy Act, as added by section 1443 of this Act; and

(B) section 2371 of title 10, United States Code, and section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2371 note).

(2) Notwithstanding paragraph (1) and the provisions of law referred to in such paragraph, each of the following provisions shall apply to the procurements described in this subsection to the same extent that such provisions would apply to such procurements in the absence of paragraph (1):

(A) Chapter 37 of title 40, United States Code (relating to contract work hours and safety standards).

(B) Subsections (a) and (b) of section 7 of the Anti-Kickback Act of 1986 (41 U.S.C. 57(a) and (b)).

(C) Section 2313 of title 10, United States Code (relating to the examination of contractor records).

(3) The Secretary shall institute appropriate internal controls for use of the authority under paragraph (1), including requirements for documenting the justification for each use of such authority.

(d) Department of Defense Facilities Authority.—(1) If the Secretary determines that it is necessary to acquire, lease, construct, or improve laboratories, research facilities, and other real property of the Department of Defense in order to carry out the program under this section, the Secretary may do so using the procedures set forth in paragraphs (2), (3), (4), and (5).

(2) The Secretary shall use existing construction authorities provided by subchapter I of chapter 169 of title 10, United States Code, to the maximum extent possible.

(3)(A) If the Secretary determines that use of authorities in paragraph (2) would prevent the Department from meeting a specific facility requirement for the program, the Secretary shall submit to the congressional defense committees advance notification, which shall include the following:

(i) Certification by the Secretary that use of existing construction authorities would prevent the Department from meeting the specific facility requirement.

(ii) A detailed explanation of the reasons why existing authorities cannot be used.

(iii) A justification of the facility requirement.

(iv) Construction project data and estimated cost.

(v) Identification of the source or sources of the funds proposed to be expended.

(B) The facility project may be carried out only after the end of the 21-day period beginning on the date the notification is received by the congressional defense committees.

(4) If the Secretary determines: (A) that the facility is vital to national security or to the protection of health, safety, or the quality of the environment; and (B) the requirement for the facility is so urgent that the advance notification in paragraph (3) and the subsequent 21-day deferral of the facility project would threaten the life, health, or safety of personnel, or would otherwise jeopardize national security, the Secretary may obligate funds for the facility and notify the congressional defense committees within seven days after the date on which appropriated funds are obligated with the information required in paragraph (3).

(5) The Secretary shall submit to the congressional defense committees a quarterly report detailing any use of the authority provided by paragraph (4), including costs incurred or to be incurred by the United States as a result of the use of the authority.

(6) Nothing in this section shall be construed to authorize the Secretary to acquire, construct, lease, or improve a facility having general utility beyond the specific purposes of the program.

(7) In this subsection, the term “facility” has the meaning given the term in section 2801(c) of title 10, United States Code.

(e) Authority for Personal Services Contracts.—(1) Subject to paragraph (2), the authority provided by section 1091 of title 10, United States Code, for personal services contracts to carry out health care responsibilities in medical treatment facilities of the Department of Defense shall also be available, subject to the same terms and conditions, for personal services contracts to carry out research and development activities under this section. The number of individuals whose personal services are obtained under this subsection may not exceed 30 at any time.

(2) The authority provided by such section 1091 may not be used for a personal services contract unless the contracting officer for the contract ensures that—

(A) the services to be procured are urgent or unique; and

(B) it would not be practicable for the Department of Defense to obtain such services by other measures.

(f) Streamlined Personnel Authority.—(1) The Secretary may appoint highly qualified experts, including scientific and technical personnel, to carry out research and development under this section in accordance with the authorities provided in section 342 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721), section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261), and section 1101 of this Act.

(2) The Secretary may use the authority under paragraph (1) only upon a determination by the Secretary that use of such authority is necessary to accelerate the research and development under the program.

(3) The Secretary shall institute appropriate internal controls for each use of the authority under paragraph (1).

10 USC 2302 note.

SEC. 1602. PROCUREMENT OF DEFENSE BIOMEDICAL COUNTERMEASURES.

(a) DETERMINATION OF MATERIAL THREATS.—(1) The Secretary of Defense (in this section referred to as the “Secretary”) shall on an ongoing basis—

(A) assess current and emerging threats of use of biological, chemical, radiological, and nuclear agents; and

(B) identify, on the basis of such assessment, those agents that present a material risk of use against the Armed Forces.

(2) The Secretary shall on an ongoing basis—

(A) assess the potential consequences to the health of members of the Armed Forces of use against the Armed Forces of the agents identified under paragraph (1)(B); and

(B) identify, on the basis of such assessment, those agents for which countermeasures are necessary to protect the health of members of the Armed Forces.

(b) ASSESSMENT OF AVAILABILITY AND APPROPRIATENESS OF COUNTERMEASURES.—The Secretary shall on an ongoing basis assess the availability and appropriateness of specific countermeasures to address specific threats identified under subsection (a).

(c) SECRETARY’S DETERMINATION OF COUNTERMEASURES APPROPRIATE FOR PROCUREMENT.—(1) The Secretary, in accordance with paragraph (2), shall on an ongoing basis identify specific countermeasures that the Secretary determines to be appropriate for procurement for the Department of Defense stockpile of biomedical countermeasures.

(2) The Secretary may not identify a specific countermeasure under paragraph (1) unless the Secretary determines that—

(A) the countermeasure is a qualified countermeasure; and

(B) it is reasonable to expect that producing and delivering, within 5 years, the quantity of that countermeasure required to meet the needs of the Department (as determined by the Secretary) is feasible.

(d) INTERAGENCY COOPERATION.—(1) Activities of the Secretary under this section shall be carried out in regular, structured, and close consultation and coordination with the Secretaries of Homeland Security and Health and Human Services, including the activities described in subsections (a), (b), and (c) and those activities with respect to interagency agreements described in paragraph (2).

(2) The Secretary may enter into an interagency agreement with the Secretaries of Homeland Security and Health and Human Services to provide for acquisition by the Secretary of Defense

for use by the Armed Forces of biomedical countermeasures procured for the Strategic National Stockpile by the Secretary of Health and Human Services. The Secretary may transfer such funds to the Secretary of Health and Human Services as are necessary to carry out such agreements (including administrative costs of the Secretary of Health and Human Services), and the Secretary of Health and Human Services may expend any such transferred funds to procure such countermeasures for use by the Armed Forces, or to replenish the stockpile. The Secretaries are authorized to establish such terms and conditions for such agreements as the Secretaries determine to be in the public interest. The transfer authority provided under this paragraph is in addition to any other transfer authority available to the Secretary.

(e) DEFINITIONS.—In this section:

(1) The term "qualified countermeasure" means a biomedical countermeasure—

(A) that is approved under section 505(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) or licensed under section 351 of the Public Health Service Act (42 U.S.C. 262), or that is approved under section 515 or cleared under section 510(k) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360e and 360) for use as such a countermeasure to a biological, chemical, radiological, or nuclear agent identified as a material threat under subsection (a); or

(B) with respect to which the Secretary of Health and Human Services makes a determination that sufficient and satisfactory clinical experience or research data (including data, if available, from preclinical and clinical trials) exists to support a reasonable conclusion that the product will qualify for such approval or licensing for use as such a countermeasure.

(2) The term "biomedical countermeasure" means a drug (as defined in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1))), device (as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(h))), or biological product (as defined in section 351(i) of the Public Health Service Act (42 U.S.C. 262(i))) that is—

(A) used to treat, identify, or prevent harm from any biological, chemical, radiological, or nuclear agent that may cause a military health emergency affecting the Armed Forces; or

(B) used to treat, identify, or prevent harm from a condition that may result in adverse health consequences or death and may be caused by administering a drug or biological product that is used as described in subparagraph (A).

(3) The term "Strategic National Stockpile" means the stockpile established under section 121(a) of the Public Health and Bioterrorism Preparedness and Response Act of 2002 (42 U.S.C. 300hh–12(a)).

(f) FUNDING.—Of the amount authorized to be appropriated for the Department of Defense and available within the transfer authority established under section 1001 of this Act for fiscal year 2004 and for each fiscal year thereafter, such sums are authorized as may be necessary for the costs incurred by the Secretary in the procurement of countermeasures under this section.

SEC. 1603. AUTHORIZATION FOR MEDICAL PRODUCTS FOR USE IN EMERGENCIES.

(a) IN GENERAL.—Subchapter E of chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360bbb et seq.) is amended by adding at the end the following section:

21 USC 360bbb–3.

"SEC. 564. AUTHORIZATION FOR MEDICAL PRODUCTS FOR USE IN EMERGENCIES.

"(a) IN GENERAL.—

"(1) EMERGENCY USES.—Notwithstanding sections 505, 510(k), and 515 of this Act and section 351 of the Public Health Service Act, and subject to the provisions of this section, the Secretary may authorize the introduction into interstate commerce, during the effective period of a declaration under subsection (b), of a drug, device, or biological product intended for use in an actual or potential emergency (referred to in this section as an 'emergency use').

"(2) APPROVAL STATUS OF PRODUCT.—An authorization under paragraph (1) may authorize an emergency use of a product that—

"(A) is not approved, licensed, or cleared for commercial distribution under a provision of law referred to in such paragraph (referred to in this section as an 'unapproved product'); or

"(B) is approved, licensed, or cleared under such a provision, but which use is not under such provision an approved, licensed, or cleared use of the product (referred to in this section as an 'unapproved use of an approved product').

"(3) RELATION TO OTHER USES.—An emergency use authorized under paragraph (1) for a product is in addition to any other use that is authorized for the product under a provision of law referred to in such paragraph.

"(4) DEFINITIONS.—For purposes of this section:

"(A) The term 'biological product' has the meaning given such term in section 351 of the Public Health Service Act.

"(B) The term 'emergency use' has the meaning indicated for such term in paragraph (1).

"(C) The term 'product' means a drug, device, or biological product.

"(D) The term 'unapproved product' has the meaning indicated for such term in paragraph (2)(A).

"(E) The term 'unapproved use of an approved product' has the meaning indicated for such term in paragraph (2)(B).

"(b) DECLARATION OF EMERGENCY.—

"(1) IN GENERAL.—The Secretary may declare an emergency justifying the authorization under this subsection for a product on the basis of a determination by the Secretary of Defense that there is a military emergency, or a significant potential for a military emergency, involving a heightened risk to United States military forces of attack with a specified biological, chemical, radiological, or nuclear agent or agents.

"(2) TERMINATION OF DECLARATION.—

“(A) IN GENERAL.—A declaration under this subsection shall terminate upon the earlier of—

“(i) a determination by the Secretary, in consultation with the Secretary of Defense, that the circumstances described in paragraph (1) have ceased to exist; or

“(ii) the expiration of the one-year period beginning on the date on which the declaration is made.

“(B) RENEWAL.—Notwithstanding subparagraph (A), the Secretary may renew a declaration under this subsection, and this paragraph shall apply to any such renewal.

“(C) DISPOSITION OF PRODUCT.—If an authorization under this section with respect to an unapproved product ceases to be effective as a result of a termination under subparagraph (A) of this paragraph, the Secretary shall consult with the manufacturer of such product with respect to the appropriate disposition of the product.

“(3) ADVANCE NOTICE OF TERMINATION.—The Secretary shall provide advance notice that a declaration under this subsection will be terminated. The period of advance notice shall be a period reasonably determined to provide—

“(A) in the case of an unapproved product, a sufficient period for disposition of the product, including the return of such product (except such quantities of product as are necessary to provide for continued use consistent with subsection (f)(2)) to the manufacturer (in the case of a manufacturer that chooses to have such product returned); and

“(B) in the case of an unapproved use of an approved product, a sufficient period for the disposition of any labeling, or any information under subsection (e)(2)(B)(ii), as the case may be, that was provided with respect to the emergency use involved.

Federal Register, publication.

“(4) PUBLICATION.—The Secretary shall promptly publish in the Federal Register each declaration, determination, advance notice of termination, and renewal under this subsection.

“(c) CRITERIA FOR ISSUANCE OF AUTHORIZATION.—The Secretary may issue an authorization under this section with respect to the emergency use of a product only if, after consultation with the Director of the National Institutes of Health and the Director of the Centers for Disease Control and Prevention (to the extent feasible and appropriate given the circumstances of the emergency involved), the Secretary concludes—

“(1) that an agent specified in a declaration under subsection (b) can cause a serious or life-threatening disease or condition;

“(2) that, based on the totality of scientific evidence available to the Secretary, including data from adequate and well-controlled clinical trials, if available, it is reasonable to believe that—

“(A) the product may be effective in diagnosing, treating, or preventing—

“(i) such disease or condition; or

“(ii) a serious or life-threatening disease or condition caused by a product authorized under this section, approved or cleared under this Act, or licensed under section 351 of the Public Health Service Act, for diagnosing, treating, or preventing such a disease or condition caused by such an agent; and

"(B) the known and potential benefits of the product, when used to diagnose, prevent, or treat such disease or condition, outweigh the known and potential risks of the product;

"(3) that there is no adequate, approved, and available alternative to the product for diagnosing, preventing, or treating such disease or condition; and

"(4) that such other criteria as the Secretary may by regulation prescribe are satisfied.

"(d) SCOPE OF AUTHORIZATION.—An authorization of a product under this section shall state—

"(1) each disease or condition that the product may be used to diagnose, prevent, or treat within the scope of the authorization;

"(2) the Secretary's conclusions, made under subsection (c)(2)(B), that the known and potential benefits of the product, when used to diagnose, prevent, or treat such disease or condition, outweigh the known and potential risks of the product; and

"(3) the Secretary's conclusions, made under subsection (c), concerning the safety and potential effectiveness of the product in diagnosing, preventing, or treating such diseases or conditions, including an assessment of the available scientific evidence.

"(e) CONDITIONS OF AUTHORIZATION.—

"(1) UNAPPROVED PRODUCT.—

"(A) REQUIRED CONDITIONS.—With respect to the emergency use of an unapproved product, the Secretary, to the extent practicable given the circumstances of the emergency, shall, for a person who carries out any activity for which the authorization is issued, establish such conditions on an authorization under this section as the Secretary finds necessary or appropriate to protect the public health, including the following:

"(i) Appropriate conditions designed to ensure that health care professionals administering the product are informed—

"(I) that the Secretary has authorized the emergency use of the product;

"(II) of the significant known and potential benefits and risks of the emergency use of the product, and of the extent to which such benefits and risks are unknown; and

"(III) of the alternatives to the product that are available, and of their benefits and risks.

"(ii) Appropriate conditions designed to ensure that individuals to whom the product is administered are informed—

"(I) that the Secretary has authorized the emergency use of the product;

"(II) of the significant known and potential benefits and risks of such use, and of the extent to which such benefits and risks are unknown; and

“(III) of the option to accept or refuse administration of the product, of the consequences, if any, of refusing administration of the product, and of the alternatives to the product that are available and of their benefits and risks.

“(iii) Appropriate conditions for the monitoring and reporting of adverse events associated with the emergency use of the product.

“(iv) For manufacturers of the product, appropriate conditions concerning recordkeeping and reporting, including records access by the Secretary, with respect to the emergency use of the product.

“(B) Authority for additional conditions.—With respect to the emergency use of an unapproved product, the Secretary may, for a person who carries out any activity for which the authorization is issued, establish such conditions on an authorization under this section as the Secretary finds necessary or appropriate to protect the public health, including the following:

“(i) Appropriate conditions on which entities may distribute the product with respect to the emergency use of the product (including limitation to distribution by government entities), and on how distribution is to be performed.

“(ii) Appropriate conditions on who may administer the product with respect to the emergency use of the product, and on the categories of individuals to whom, and the circumstances under which, the product may be administered with respect to such use.

“(iii) Appropriate conditions with respect to the collection and analysis of information, during the period when the authorization is in effect, concerning the safety and effectiveness of the product with respect to the emergency use of such product.±

“(iv) For persons other than manufacturers of the product, appropriate conditions concerning recordkeeping and reporting, including records access by the Secretary, with respect to the emergency use of the product.

“(2) Unapproved use.—With respect to the emergency use of a product that is an unapproved use of an approved product:

“(A) For a manufacturer of the product who carries out any activity for which the authorization is issued, the Secretary shall, to the extent practicable given the circumstances of the emergency, establish conditions described in clauses (i) and (ii) of paragraph (1)(A), and may establish conditions described in clauses (iii) and (iv) of such paragraph.

“(B)(i) If the authorization under this section regarding the emergency use authorizes a change in the labeling of the product, but the manufacturer of the product chooses not to make such change, such authorization may not authorize distributors of the product or any other person to alter or obscure the labeling provided by the manufacturer.

“(ii) In the circumstances described in clause (i), for a person who does not manufacture the product and who chooses to act under this clause, an authorization under this section regarding the emergency use shall, to the extent practicable given the circumstances of the emergency, authorize such person to provide appropriate information with respect to such product in addition to the labeling provided by the manufacturer, subject to compliance with clause (i). While the authorization under this section is effective, such additional information shall not be considered labeling for purposes of section 502.

"(C) The Secretary may establish with respect to the distribution and administration of the product for the unapproved use conditions no more restrictive than those established by the Secretary with respect to the distribution and administration of the product for the approved use.

"(3) GOOD MANUFACTURING PRACTICE.—With respect to the emergency use of a product for which an authorization under this section is issued (whether an unapproved product or an unapproved use of an approved product), the Secretary may waive or limit, to the extent appropriate given the circumstances of the emergency, requirements regarding current good manufacturing practice otherwise applicable to the manufacture, processing, packing, or holding of products subject to regulation under this Act, including such requirements established under section 501.

"(4) ADVERTISING.—The Secretary may establish conditions on advertisements and other promotional descriptive printed matter that relate to the emergency use of a product for which an authorization under this section is issued (whether an unapproved product or an unapproved use of an approved product), including, as appropriate—

"(A) with respect to drugs and biological products, requirements applicable to prescription drugs pursuant to section 502(n); or

"(B) with respect to devices, requirements applicable to restricted devices pursuant to section 502(r).

"(f) DURATION OF AUTHORIZATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an authorization under this section shall be effective until the earlier of the termination of the declaration under subsection (b) or a revocation under subsection (g).

"(2) CONTINUED USE AFTER END OF EFFECTIVE PERIOD.—Notwithstanding the termination of the declaration under subsection (b) or a revocation under subsection (g), an authorization shall continue to be effective to provide for continued use of an unapproved product with respect to a patient to whom it was administered during the period described by paragraph (1), to the extent found necessary by such patient's attending physician.

"(g) REVOCATION OF AUTHORIZATION.—

"(1) REVIEW.—The Secretary shall periodically review the circumstances and the appropriateness of an authorization under this section.

"(2) REVOCATION.—The Secretary may revoke an authorization under this section if the criteria under subsection (c) for issuance of such authorization are no longer met or other circumstances make such revocation appropriate to protect the public health or safety.

"(h) PUBLICATION; CONFIDENTIAL INFORMATION.—

"(1) PUBLICATION.—The Secretary shall promptly publish in the Federal Register a notice of each authorization, and each termination or revocation of an authorization under this section, and an explanation of the reasons therefor (which may include a summary of data or information that has been submitted to the Secretary in an application under section 505(i) or section 520(g), even if such summary may indirectly reveal the existence of such application).

Federal Register, publication.

"(2) CONFIDENTIAL INFORMATION.—Nothing in this section alters or amends section 1905 of title 18, United States Code, or section 552(b)(4) of title 5 of such Code.

"(i) ACTIONS COMMITTED TO AGENCY DISCRETION.—Actions under the authority of this section by the Secretary or by the Secretary of Defense are committed to agency discretion.

"(j) RULES OF CONSTRUCTION.—The following applies with respect to this section:

"(1) Nothing in this section impairs the authority of the President as Commander in Chief of the Armed Forces of the United States under article II, section 2 of the United States Constitution.

"(2) Nothing in this section impairs the authority of the Secretary of Defense with respect to the Department of Defense, including the armed forces, under other provisions of Federal law.

"(3) Nothing in this section (including any exercise of authority by a manufacturer under subsection (e)(2)) impairs the authority of the United States to use or manage quantities of a product that are owned or controlled by the United States (including quantities in the stockpile maintained under section 319F–2 of the Public Health Service Act).

"(k) RELATION TO OTHER PROVISIONS.—If a product is the subject of an authorization under this section, the use of such product within the scope of the authorization shall not be considered to constitute a clinical investigation for purposes of section 505(i), section 520(g), or any other provision of this Act or section 351 of the Public Health Service Act.

"(l) OPTION TO CARRY OUT AUTHORIZED ACTIVITIES.—Nothing in this section provides the Secretary any authority to require any person to carry out any activity that becomes lawful pursuant to an authorization under this section, and no person is required to inform the Secretary that the person will not be carrying out such activity, except that a manufacturer of a sole-source unapproved product authorized for emergency use shall report to the Secretary within a reasonable period of time after the issuance by the Secretary of such authorization if such manufacturer does not intend to carry out any activity under the authorization. This section only has legal effect on a person who carries out an activity for which an authorization under this section is issued. This section does not modify or affect activities carried out pursuant to other provisions of this Act or section 351 of the Public Health Service Act. Nothing in this subsection may be construed as restricting the Secretary from imposing conditions on persons who carry out any activity pursuant to an authorization under this section.".

(b) EMERGENCY USE PRODUCTS.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1107 the following new section:

“§ 1107a. Emergency use products

“(a) WAIVER BY THE PRESIDENT.—In the case of the administration of a product authorized for emergency use under section 564 of the Federal Food, Drug, and Cosmetic Act to members of the armed forces, the condition described in section 564(e)(1)(A)(ii)(III) of such Act and required under paragraph (1)(A) or (2)(A) of such section 564(e), designed to ensure that individuals are informed of an option to accept or refuse administration of a product, may be waived only by the President only if the President determines, in writing, that complying with such requirement is not feasible, is contrary to the best interests of the members affected, or is not in the interests of national security.

“(b) PROVISION OF INFORMATION.—If the President, under subsection (a), waives the condition described in section 564(e)(1)(A)(ii)(III) of the Federal Food, Drug, and Cosmetic Act, and if the Secretary of Defense, in consultation with the Secretary of Health and Human Services, makes a determination that it is not feasible based on time limitations for the information described in section 564(e)(1)(A)(ii)(I) or (II) of such Act and required under paragraph (1)(A) or (2)(A) of such section 564(e), to be provided to a member of the armed forces prior to the administration of the product, such information shall be provided to such member of the armed forces (or next-of-kin in the case of the death of a member) to whom the product was administered as soon as possible, but not later than 30 days, after such administration. The authority provided for in this subsection may not be delegated. Information concerning the administration of the product shall be recorded in the medical record of the member.

“(c) APPLICABILITY OF OTHER PROVISIONS.—In the case of an authorization by the Secretary of Health and Human Services under section 564(a)(1) of the Federal Food, Drug, and Cosmetic Act based on a determination by the Secretary of Defense under section 564(b)(1)(B) of such Act, subsections (a) through (f) of section 1107 shall not apply to the use of a product that is the subject of such authorization, within the scope of such authorization and while such authorization is effective.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1107 the following new item:

“1107a. Emergency use products.”.

(c) ENFORCEMENT.—Section 301(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331(d)) is amended by striking “section 404 or 505” and inserting “section 404, 505, or 564”. Section 301(e) of such Act is amended by inserting “564,” after “504,” the first place such term appears, and by striking “or 519” and inserting “519, or 564”.

10 USC 1107a note.

(d) TERMINATION.—This section shall not be in effect (and the law shall read as if this section were never enacted) as of the date on which, following enactment of the Project Bioshield Act of 2003, the President submits to Congress a notification that the Project Bioshield Act of 2003 provides an effective emergency use authority with respect to members of the Armed Forces.

TITLE XVII—NATURALIZATION AND OTHER IMMIGRATION BENEFITS FOR MILITARY PERSONNEL AND FAMILIES

Sec. 1701. Requirements for naturalization through service in the Armed Forces of the United States.
Sec. 1702. Naturalization benefits for members of the Selected Reserve of the Ready Reserve.
Sec. 1703. Extension of posthumous benefits to surviving spouses, children, and parents.
Sec. 1704. Expedited process for granting posthumous citizenship to members of the Armed Forces.
Sec. 1705. Effective date.

SEC. 1701. REQUIREMENTS FOR NATURALIZATION THROUGH SERVICE IN THE ARMED FORCES OF THE UNITED STATES.

(a) Reduction of Period for Required Service.—Section 328(a) of the Immigration and Nationality Act (8 U.S.C. 1439(a)) is amended by striking "three years," and inserting "one year,".

(b) Prohibition on Imposition of Fees Relating to Naturalization.—Title III of the Immigration and Nationality Act (8 U.S.C. 1401 et seq.) is amended—

(1) in section 328(b)— 8 USC 1439.

(A) in paragraph (3)—

(i) by striking "honorable. The" and inserting "honorable (the"; and

(ii) by striking "discharge." and inserting "discharge); and"; and

(B) by adding at the end the following:

"(4) notwithstanding any other provision of law, no fee shall be charged or collected from the applicant for filing the application, or for the issuance of a certificate of naturalization upon being granted citizenship, and no clerk of any State court shall charge or collect any fee for such services unless the laws of the State require such charge to be made, in which case nothing more than the portion of the fee required to be paid to the State shall be charged or collected."; and

(2) in section 329(b)— 8 USC 1440.

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(4) notwithstanding any other provision of law, no fee shall be charged or collected from the applicant for filing a petition for naturalization or for the issuance of a certificate of naturalization upon citizenship being granted to the applicant, and no clerk of any State court shall charge or collect any fee for such services unless the laws of the State require such charge to be made, in which case nothing more than the portion of the fee required to be paid to the State shall be charged or collected.".

(c) Revocation of Citizenship for Separation From Military Service Under Other Than Honorable Conditions.—

(1) In general.—Title III of the Immigration and Nationality Act (8 U.S.C. 1401 et seq.) is amended—

(A) by adding at the end of section 328 the following:

"(f) Citizenship granted pursuant to this section may be revoked in accordance with section 340 if the person is separated from the Armed Forces under other than honorable conditions before the person has served honorably for a period or periods aggregating five years. Such ground for revocation shall be in addition to any other provided by law, including the grounds described in section 340. The fact that the naturalized person was separated from the service under other than honorable conditions shall be proved by a duly authenticated certification from the executive department under which the person was serving at the time of separation. Any period or periods of service shall be proved by duly authenticated copies of the records of the executive departments having custody of the records of such service."; and

8 USC 1440. (B) by amending section 329(c) to read as follows:

"(c) Citizenship granted pursuant to this section may be revoked in accordance with section 340 if the person is separated from the Armed Forces under other than honorable conditions before the person has served honorably for a period or periods aggregating five years. Such ground for revocation shall be in addition to any other provided by law, including the grounds described in section 340. The fact that the naturalized person was separated from the service under other than honorable conditions shall be proved by a duly authenticated certification from the executive department under which the person was serving at the time of separation. Any period or periods of service shall be proved by duly authenticated copies of the records of the executive departments having custody of the records of such service.".

8 USC 1439 note. (2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to citizenship granted on or after the date of the enactment of this Act.

Availability. 8 USC 1443a. (d) NATURALIZATION PROCEEDINGS OVERSEAS FOR MEMBERS OF THE ARMED FORCES.—Notwithstanding any other provision of law, the Secretary of Homeland Security, the Secretary of State, and the Secretary of Defense shall ensure that any applications, interviews, filings, oaths, ceremonies, or other proceedings under title III of the Immigration and Nationality Act (8 U.S.C. 1401 et seq.) relating to naturalization of members of the Armed Forces are available through United States embassies, consulates, and as practicable, United States military installations overseas.

8 USC 1443a note. (e) FINALIZATION OF NATURALIZATION PROCEEDINGS FOR MEMBERS OF THE ARMED FORCES.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe a policy that facilitates the opportunity for a member of the Armed Forces to finalize naturalization for which the member has applied. The policy shall include, for such purpose, the following:

(1) A high priority for grant of emergency leave.

(2) A high priority for transportation on aircraft of, or chartered by, the Armed Forces.

(f) TECHNICAL AND CONFORMING AMENDMENT.—Section 328(b)(3) of the Immigration and Nationality Act (8 U.S.C. 1439(b)(3)) is amended by striking "Attorney General" and inserting "Secretary of Homeland Security".

SEC. 1702. NATURALIZATION BENEFITS FOR MEMBERS OF THE SELECTED RESERVE OF THE READY RESERVE.

Section 329(a) of the Immigration and Nationality Act (8 U.S.C. 1440(a)) is amended by inserting "as a member of the Selected Reserve of the Ready Reserve or" after "has served honorably".

SEC. 1703. EXTENSION OF POSTHUMOUS BENEFITS TO SURVIVING SPOUSES, CHILDREN, AND PARENTS.

(a) TREATMENT AS IMMEDIATE RELATIVES.— 8 USC 1151 note.

(1) SPOUSES.—Notwithstanding the second sentence of section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)), in the case of an alien who was the spouse of a citizen of the United States at the time of the citizen's death and was not legally separated from the citizen at the time of the citizen's death, if the citizen served honorably in an active duty status in the military, air, or naval forces of the United States and died as a result of injury or disease incurred in or aggravated by combat, the alien (and each child of the alien) shall be considered, for purposes of section 201(b) of such Act, to remain an immediate relative after the date of the citizen's death, but only if the alien files a petition under section 204(a)(1)(A)(ii) of such Act within 2 years after such date and only until the date the alien remarries. For purposes of such section 204(a)(1)(A)(ii), an alien granted relief under the preceding sentence shall be considered an alien spouse described in the second sentence of section 201(b)(2)(A)(i) of such Act.

(2) CHILDREN.—

(A) IN GENERAL.—In the case of an alien who was the child of a citizen of the United States at the time of the citizen's death, if the citizen served honorably in an active duty status in the military, air, or naval forces of the United States and died as a result of injury or disease incurred in or aggravated by combat, the alien shall be considered, for purposes of section 201(b) of the Immigration and Nationality Act (8 U.S.C. 1151(b)), to remain an immediate relative after the date of the citizen's death (regardless of changes in age or marital status thereafter), but only if the alien files a petition under subparagraph (B) within 2 years after such date.

(B) PETITIONS.—An alien described in subparagraph (A) may file a petition with the Secretary of Homeland Security for classification of the alien under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). For purposes of such Act, such a petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)).

(3) PARENTS.—

(A) IN GENERAL.—In the case of an alien who was the parent of a citizen of the United States at the time of the citizen's death, if the citizen served honorably in an active duty status in the military, air, or naval forces of the United States and died as a result of injury or disease incurred in or aggravated by combat, the alien shall be considered, for purposes of section 201(b) of the Immigration and Nationality Act (8 U.S.C. 1151(b)), to remain an immediate relative after the date of the citizen's death (regardless of changes in age or marital status thereafter), but only if the alien files a petition under subparagraph (B) within 2 years after such date.

(B) PETITIONS.—An alien described in subparagraph (A) may file a petition with the Secretary of Homeland Security for classification of the alien under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). For purposes of such Act, such a petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)).

(C) EXCEPTION.—Notwithstanding section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)), for purposes of this paragraph, a citizen described in subparagraph (A) does not have to be 21 years of age for a parent to benefit under this paragraph.

8 USC 1151 note. (b) APPLICATIONS FOR ADJUSTMENT OF STATUS BY SURVIVING SPOUSES, CHILDREN, AND PARENTS.—

(1) IN GENERAL.—Notwithstanding subsections (a) and (c) of section 245 of the Immigration and Nationality Act (8 U.S.C. 1255), any alien who was the spouse, child, or parent of an alien described in paragraph (2), and who applied for adjustment of status prior to the death described in paragraph (2)(B), may have such application adjudicated as if such death had not occurred.

(2) ALIEN DESCRIBED.—An alien is described in this paragraph if the alien—

(A) served honorably in an active duty status in the military, air, or naval forces of the United States;

(B) died as a result of injury or disease incurred in or aggravated by combat; and

(C) was granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1).

8 USC 1151 note. (c) SPOUSES AND CHILDREN OF LAWFUL PERMANENT RESIDENT ALIENS.—

(1) TREATMENT AS IMMEDIATE RELATIVES.—

(A) IN GENERAL.—A spouse or child of an alien described in paragraph (3) who is included in a petition for classification as a family-sponsored immigrant under section 203(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(2)) that was filed by such alien, shall be considered (if the spouse or child has not been admitted or approved for lawful permanent residence by such date) a valid petitioner for immediate relative status under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). Such spouse or child shall be eligible for deferred action, advance parole, and work authorization.

(B) PETITIONS.—An alien spouse or child described in subparagraph (A) may file a petition with the Secretary of Homeland Security for classification of the alien under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). For purposes of such Act, such a petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)).

(2) SELF-PETITIONS.—Any spouse or child of an alien described in paragraph (3) who is not a beneficiary of a petition for classification as a family-sponsored immigrant may file a petition for such classification under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)) with the Secretary of Homeland Security, but only if the spouse or child files a petition within 2 years after such date. Such spouse or child shall be eligible for deferred action, advance parole, and work authorization. Deadline.

(3) ALIEN DESCRIBED.—An alien is described in this paragraph if the alien—

(A) served honorably in an active duty status in the military, air, or naval forces of the United States;

(B) died as a result of injury or disease incurred in or aggravated by combat; and

(C) was granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1).

(d) PARENTS OF LAWFUL PERMANENT RESIDENT ALIENS.— 8 USC 1151 note.

(1) SELF-PETITIONS.—Any parent of an alien described in paragraph (2) may file a petition for classification under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)), but only if the parent files a petition within 2 years after such date. For purposes of such Act, such petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)). Such parent shall be eligible for deferred action, advance parole, and work authorization. Deadline.

(2) ALIEN DESCRIBED.—An alien is described in this paragraph if the alien—

(A) served honorably in an active duty status in the military, air, or naval forces of the United States;

(B) died as a result of injury or disease incurred in or aggravated by combat; and

(C) was granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1).

(e) WAIVER OF GROUND FOR INADMISSIBILITY.—In determining the admissibility of any alien accorded an immigration benefit under this section for purposes of the Immigration and Nationality Act, the ground for inadmissibility specified in section 212(a)(4) of such Act (8 U.S.C. 1182(a)(4)) shall not apply. 8 USC 1151 note.

(f) NATURALIZATION FOR SURVIVING SPOUSES.—

(1) IN GENERAL.—Section 319(d) of the Immigration and Nationality Act (8 U.S.C. 1430(d)) is amended by adding at the end the following: “For purposes of this subsection, the terms ‘United States citizen’ and ‘citizen spouse’ include a person granted posthumous citizenship under section 329A.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to persons granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1) due to death on or after September 11, 2001. 8 USC 1430 note.

(g) BENEFITS TO SURVIVORS; TECHNICAL AMENDMENT.—Section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1) is amended—

(1) by striking subsection (e); and

(2) by striking "Attorney General" each place that term appears and inserting "Secretary of Homeland Security".

(h) TECHNICAL AND CONFORMING AMENDMENTS.—Section 319(d) of the Immigration and Nationality Act (8 U.S.C. 1430(d)) is amended—

(1) by inserting ", child, or parent" after "surviving spouse";

(2) by inserting ", parent, or child" after "whose citizen spouse"; and

(3) by striking "who was living" and inserting "who, in the case of a surviving spouse, was living".

SEC. 1704. EXPEDITED PROCESS FOR GRANTING POSTHUMOUS CITIZENSHIP TO MEMBERS OF THE ARMED FORCES.

Section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1) is amended—

(1) by striking subsection (c) and inserting the following:

"(c) REQUESTS FOR POSTHUMOUS CITIZENSHIP.—

"(1) IN GENERAL.—A request for the granting of posthumous citizenship to a person described in subsection (b) may be filed on behalf of that person—

"(A) upon locating the next-of-kin, and if so requested by the next-of-kin, by the Secretary of Defense or the Secretary's designee with the Bureau of Citizenship and Immigration Services in the Department of Homeland Security immediately upon the death of that person; or

"(B) by the next-of-kin.

"(2) APPROVAL.—The Director of the Bureau of Citizenship and Immigration Services shall approve a request for posthumous citizenship filed by the next-of-kin in accordance with paragraph (1)(B) if—

Deadline. "(A) the request is filed not later than 2 years after—

"(i) the date of enactment of this section; or

"(ii) the date of the person's death;

whichever date is later;

"(B) the request is accompanied by a duly authenticated certificate from the executive department under which the person served which states that the person satisfied the requirements of paragraphs (1) and (2) of subsection (b); and

"(C) the Director finds that the person satisfied the requirement of subsection (b)(3)."; and

(2) by striking subsection (d) and inserting the following:

"(d) DOCUMENTATION OF POSTHUMOUS CITIZENSHIP.—If the Director of the Bureau of Citizenship and Immigration Services approves the request referred to in subsection (c), the Director shall send to the next-of-kin of the person who is granted citizenship, a suitable document which states that the United States considers the person to have been a citizen of the United States at the time of the person's death.".

SEC. 1705. EFFECTIVE DATE.

8 USC 1439 note. (a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect as if enacted on September 11, 2001.

8 USC 1439 note. (b) EXCEPTION.—The amendments made by sections 1701(b) (relating to naturalization fees) and 1701(d) (relating to naturalization proceedings overseas) shall take effect on October 1, 2004.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Military Construction Authorization Act for Fiscal Year 2004.

SEC. 2001. SHORT TITLE.

This division may be cited as the “Military Construction Authorization Act for Fiscal Year 2004”.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Termination or modification of authority to carry out certain fiscal year 2003 projects.
Sec. 2106. Modification of authority to carry out certain fiscal year 2002 projects.
Sec. 2107. Termination or modification of authority to carry out certain fiscal year 2001 projects.

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Redstone Arsenal	$5,500,000
Alaska	Fort Richardson	$2,500,000
	Fort Wainwright	$138,800,000
Colorado	Fort Carson	$2,150,000
Georgia	Fort Benning	$34,500,000
	Fort Gordon	$4,350,000
	Fort Stewart/Hunter Army Air Field	$113,500,000
Hawaii	Helemano Military Reservation	$1,400,000
	Schofield Barracks	$128,100,000
Kansas	Fort Leavenworth	$115,000,000
	Fort Riley	$40,000,000
Kentucky	Fort Knox	$13,500,000
Louisiana	Fort Polk	$72,000,000
Maryland	Fort Meade	$9,600,000
Massachusetts	Soldier Systems Center, Natick	$5,500,000
New Jersey	Naval Air Engineering Center, Lakehurst	$2,250,000
	Picatinny Arsenal	$8,000,000
New York	Fort Drum	$130,700,000
North Carolina	Fort Bragg	$125,400,000
Oklahoma	Fort Sill	$5,500,000
Texas	Fort Bliss	$5,400,000
	Fort Hood	$49,800,000
Virginia	Fort Belvoir	$7,000,000
	Fort Lee	$3,850,000
	Fort Myer	$9,000,000

Army: Inside the United States—Continued

State	Installation or location	Amount
Washington	Fort Lewis	$3,900,000
	Total	$1,037,200,000

(b) OUTSIDE THE UNITED STATES.—Subject to subsection (c), using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Germany	Grafenwoehr	$76,000,000
	Vilseck	$31,000,000
Italy	Aviano Air Base	$28,500,000
	Livorno	$22,000,000
Korea	Camp Humphreys	$65,000,000
Kwajalein	Kwajalein	$9,400,000
	Total	$231,900,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State or Country	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	140 Units	$64,000,000
Arizona	Fort Huachuca	220 Units	$41,000,000
Kansas	Fort Riley	62 Units	$16,700,000
Kentucky	Fort Knox	178 Units	$41,000,000
New Mexico	White Sands Missile Range	58 Units	$14,600,000
Oklahoma	Fort Sill	120 Units	$25,373,000
Virginia	Fort Lee	90 Units	$18,000,000
		Total:	$220,673,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $34,488,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $130,430,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,874,856,000, as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $825,200,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $213,000,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $32,606,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $126,833,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $383,591,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,043,026,000.

(6) For the construction of phase 3 of Saddle Access Road, Pohakoula Training Facility, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–389)), as amended by section 2107 of this Act, $17,000,000.

(7) For the construction of phase 4 of a barracks complex, Butner Road, at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted into law by Public Law 106–398; 114 Stat. 1654A–389), as amended by section 2107 of this Act, $38,000,000.

(8) For the construction of phase 3 of a barracks complex, D Street, at Fort Richardson, Alaska, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), as amended by section 2106 of this Act, $33,000,000.

(9) For the construction of phase 3 of a barracks complex, 17th and B Streets, at Fort Lewis, Washington, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), $48,000,000.

(10) For the construction of phase 2 of a barracks complex, Capron Road, at Schofield Barracks, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act

for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), $49,000,000.

(11) For the construction of phase 2 of a combined arms collective training facility at Fort Riley, Kansas, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), as amended by section 2105 of this Act, $13,600,000.

(12) For the construction of phase 2 of a barracks complex, Range Road, at Fort Campbell, Kentucky, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), $49,000,000.

(13) For the construction of phase 2 of a consolidated maintenance complex at Fort Sill, Oklahoma, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $32,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks, Fort Stewart/Hunter Army Airfield, Georgia).

(3) $87,000,000 (the balance of the amount authorized under section 2101(a) for construction of the Lewis and Clark Instructional Facility, Fort Leavenworth, Kansas).

(4) $43,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Wheeler Army Airfield, Fort Drum, New York).

(5) $50,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Bastogne Drive, Fort Bragg, North Carolina).

(6) $18,900,000 (the balance of the amount authorized under section 2101(b) for construction of a barracks complex, Vilseck, Germany).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (13) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $10,000,000, which represents corrections to Department of the Army estimates for military family housing support.

SEC. 2105. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in subsection (a) of section 2101 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681) is amended—

(1) in the item relating to Fort Riley, Kansas, by striking "$81,095,000" in the amount column and inserting "$81,495,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$1,156,167,000".

(b) TERMINATION OF OUTSIDE THE UNITED STATES PROJECTS.—(1) The table in subsection (b) of such section is amended—

(A) by striking the item relating to Area Support Group, Bamberg, Germany;

(B) by striking the item relating to Coleman Barracks, Germany;

(C) by striking the item relating to Darmstadt, Germany;

(D) by striking the item relating to Mannheim, Germany;

(E) by striking the item relating to Schweinfurt, Germany;

(F) by striking the item relating to Camp Castle, Korea;

(G) by striking the item relating to Camp Hovey, Korea;

(H) by striking the item relating to K16 Airfield, Korea; and

(I) by striking the amount identified as the total in the amount column and inserting "$216,266,000".

(2) The authorization to carry out a military construction project at Camp Bonifas, Korea, provided by section 130 of the Military Construction Appropriation Act, 2003 (Public Law 107–249; 116 Stat. 1586), using funds originally appropriated for a military construction project at Camp Kyle, Korea, is hereby rescinded.

(c) TERMINATION OF FAMILY HOUSING PROJECT OUTSIDE THE UNITED STATES.—The table in section 2102(a) of the Military Construction Authorization Act for Fiscal Year 2003 (116 Stat. 2683) is amended—

(1) by striking the item relating to Yongsan, Korea; and

(2) by striking the amount identified as the total in the amount column and inserting "$23,852,000".

(d) IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.—Section 2103 of that Act (116 Stat. 2683) is amended by striking "$239,751,000" and inserting "$178,400,000".

(e) CONFORMING AMENDMENTS.—Section 2104 of that Act (116 Stat. 2683) is amended—

(1) subsection (a)—

(A) in the matter preceding paragraph (1), by striking "$3,104,176,000" and inserting "$2,901,875,000";

(B) in paragraph (2), by striking "$354,116,000" and inserting "$216,266,000"; and

(C) in paragraph (6)(A), by striking "$282,356,000" and inserting "$217,905,000"; and

(2) in subsection (b)(4), by striking "$13,200,000" and inserting "$13,600,000".

SEC. 2106. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1281), as amended by section 2105 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2685), is further amended—

(1) in the item relating to Fort Richardson, Alaska, by striking "$115,000,000" in the amount column and inserting "$117,000,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$1,364,750,000".

(b) MODIFICATION OF OUTSIDE THE UNITED STATES PROJECTS.—The table in section 2101(b) of the Military Construction Authorization Act for Fiscal Year 2002 (115 Stat. 1282) is amended—

(1) in the item relating to Camp Hovey, Korea, by striking "$35,750,000" in the amount column and inserting "$24,980,000";

(2) in the item relating to Camp Stanley, Korea, by striking "$28,000,000" in the amount column and inserting "$14,770,000"; and

(3) by striking the amount identified as the total in the amount column and inserting "$236,343,000".

(c) CONFORMING AMENDMENTS.—Section 2104 of that Act (115 Stat. 1283) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "$3,155,594,000" and inserting "$3,131,594,000"; and

(B) in paragraph (2), by striking "$260,343,000" and inserting "$236,343,000"; and

(2) in subsection (b)(2), by striking "$52,000,000" and inserting "$54,000,000".

SEC. 2107. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECTS.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–389)), as amended by section 2105(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1285), is further amended—

(1) in the item relating to Pohakoula Training Facility, Hawaii, by striking "$32,000,000" in the amount column and inserting "$42,000,000";

(2) in the item relating to Fort Bragg, North Carolina, by striking "$222,200,000" in the amount column and inserting "$255,200,000"; and

(3) by striking the amount identified as the total in the amount column and inserting "$669,374,000".

(b) TERMINATION OF OUTSIDE THE UNITED STATES PROJECT.—The table in section 2101(b) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–390), as amended by section 2106 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2685), is further amended—

(1) by striking the item relating to Camp Stanley, Korea; and

(2) by striking the amount identified as the total in the amount column and inserting "$100,350,000".

(c) CONFORMING AMENDMENTS.—Section 2104 of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–391), as amended by section 2105(b) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1285), is further amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "$1,935,744,000" and inserting "$1,916,244,000"; and

(B) in paragraph (2), by striking "$119,850,000" and inserting "$100,350,000"; and

(2) in subsection (b)—

(A) in paragraph (5), by striking "$104,000,000" and inserting "$137,000,000"; and

(B) in paragraph (7), by striking "$20,000,000" and inserting "$30,000,000".

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Termination of authority to carry out certain fiscal year 2003 projects.
Sec. 2206. Termination or modification of authority to carry out certain fiscal year 2002 projects.

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	$22,230,000
California	Marine Corps Air-Ground Task Force Training Center, Twentynine Palms	$42,090,000
	Marine Corps Air Station, Miramar	$7,640,000
	Marine Corps Base, Camp Pendleton	$73,580,000
	Naval Air Facility, San Clemente Island	$18,940,000
	Naval Air Station, Lemoore	$34,510,000
	Naval Air Station, North Island	$49,240,000
	Naval Air Warfare Center, Point Mugu, San Nicholas Island	$6,150,000
	Naval Postgraduate School, Monterey	$42,560,000
	Naval Station, San Diego	$49,710,000
Connecticut	Naval Submarine Base, New London	$3,120,000
District of Columbia	Marine Corps Barracks	$1,550,000
Florida	Blount Island (Jacksonville)	$115,711,000
	Naval Air Station, Jacksonville	$9,190,000
	Naval Air Station, Whiting Field, Milton	$4,830,000
	Naval Surface Warfare Center, Coastal Systems Station, Panama City	$9,550,000
Georgia	Strategic Weapons Facility Atlantic, Kings Bay	$11,510,000
Hawaii	Fleet and Industrial Supply Center, Pearl Harbor	$32,180,000
	Naval Magazine, Lualualei	$6,320,000
	Naval Shipyard, Pearl Harbor	$7,010,000
Illinois	Naval Training Center, Great Lakes	$137,120,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
Indiana	Naval Surface Warfare Center, Crane	$11,400,000
Maryland	Naval Air Warfare Center, Patuxent River	$28,270,000
	Naval Surface Warfare Center, Indian Head	$14,850,000
Mississippi	Naval Air Station, Meridian	$4,570,000
New Jersey	Naval Air Warfare Center, Lakehurst	$20,681,000
	Naval Weapons Station, Earle	$123,720,000
North Carolina	Marine Corps Air Station, New River	$6,240,000
	Marine Corps Base, Camp Lejeune	$29,450,000
Rhode Island	Naval Station, Newport	$18,690,000
	Naval Undersea Warfare Center, Newport	$10,890,000
South Carolina	Naval Weapons Station, Charleston	$2,350,000
Texas	Naval Air Station, Corpus Christi	$5,400,000
	Naval Station, Ingleside	$7,070,000
Virginia	Henderson Hall, Arlington	$1,970,000
	Marine Corps Combat Development Command, Quantico	$18,120,000
	Naval Air Station, Oceana	$10,000,000
	Naval Amphibious Base, Little Creek	$3,810,000
	Naval Space Command Center, Dahlgren	$24,020,000
	Naval Station, Norfolk	$182,240,000
	Norfolk Naval Shipyard, Portsmouth	$17,770,000
Washington	Naval Air Station, Whidbey Island	$4,650,000
	Naval Magazine, Indian Island	$2,240,000
	Naval Shipyard, Puget Sound	$6,020,000
	Naval Submarine Base, Bangor	$33,820,000
	Strategic Weapons Facility Pacific, Bangor	$6,530,000
Various Locations	Various Locations, CONUS	$56,360,000
	Total	$1,335,872,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Naval Support Activity, Bahrain	$18,030,000
Guam	Commander, United States Naval Forces, Marianas	$1,700,000
Italy	Naval Air Station, Sigonella	$34,070,000
	Naval Support Activity, La Maddalena	$39,020,000
	Total	$92,820,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State or Country	Installation or location	Purpose	Amount
California	Naval Air Station, Lemoore	187 Units	$41,585,000
Florida	Naval Air Station, Pensacola	25 Units	$4,447,000
North Carolina	Marine Corps Air Station, Cherry Point	339 Units	$42,803,000
	Marine Corps Base, Camp Lejeune	519 Units	$68,531,000
		Total	$157,366,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $8,381,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $20,446,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,267,729,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $1,001,092,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $92,820,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $14,585,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $71,001,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $184,193,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $845,078,000.

(6) For construction of a bachelors enlisted quarters shipboard ashore at Naval Shipyard Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization

Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2687), $46,730,000.

(7) For construction of phase III of a combined propulsion and explosives lab at Naval Air Warfare Center, China Lake, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1289), as amended by section 2206 of this Act, $12,230,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $25,690,000 (the balance of the amount authorized under section 2101(a) for construction of a tertiary sewage treatment facility, Marine Corp Base, Camp Pendleton, California).

(3) $58,190,000 (the balance of the amount authorized under section 2101(a) for construction of a battle station training facility, Naval Training Center, Great Lakes, Illinois).

(4) $96,980,000 (the balance of the amount authorized under section 2101(a) for construction of a general purpose berthing pier, Naval Weapons Station Earle, New Jersey).

(5) $118,170,000 (the balance of the amount authorized under section 2101(a) for construction of the Pier 11 replacement, Naval Station, Norfolk, Virginia).

(6) $28,750,000 (the balance of the amount authorized under section 2101(a) for construction of outlying landing field facilities, various locations in the continental United States).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (7) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $10,000,000, which represents corrections to Department of the Navy estimates for military family housing support.

SEC. 2205. TERMINATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) TERMINATION OF INSIDE THE UNITED STATES PROJECTS.—The table in subsection (a) of section 2201 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2686) is amended—

(1) by striking the item relating to Naval Air Warfare Center, China Lake, California;

(2) by striking the item relating to Marine Corps Air Station, Cherry Point, North Carolina; and

(3) by striking the amount identified as the total in the amount column and inserting "$1,068,223,000".

(b) TERMINATION OF OUTSIDE THE UNITED STATES PROJECTS.—The table in subsection (b) of such section is amended—

(1) by striking the item relating to Naval Support Activity, Joint Headquarters Command, Larissa, Greece;

(2) by striking the item relating to Naval Air Station, Keflavik, Iceland; and

(3) by striking the amount identified as the total in the amount column and inserting "$129,100,000".

(c) TERMINATION OF MILITARY FAMILY HOUSING PROJECT.—The table in section 2202(a) of that Act (116 Stat. 2688) is amended—

(1) by striking the item relating to the Joint Maritime Facility, St. Mawgan, United Kingdom; and

(2) by striking the amount identified as the total in the amount column and inserting "$210,195,000".

(d) CONFORMING AMENDMENTS.—Section 2204 of that Act (116 Stat. 2688) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "$2,576,381,000" and inserting "$2,530,097,000";

(B) in paragraph (1), by striking "$1,025,598,000" and inserting "$1,009,458,000";

(C) in paragraph (2), by striking "$148,250,000" and inserting "$126,530,000";

(D) in paragraph (5)(A), by striking "$379,468,000" and inserting "$360,944,000"; and

(E) by adding at the end the following new paragraph:

"(7) For construction of phase II of a combined propulsion and explosives lab at Naval Air Warfare Center, China Lake, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1289), as amended by section 2206 of the Military Construction Authorization Act for Fiscal Year 2004, $10,100,000."; and

(2) in subsection (c), by striking "through (6)" and inserting "through (7)".

SEC. 2206. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1286), as amended by section 2205 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 108–314; 116 Stat. 2689), is amended—

(1) in the item relating to Naval Air Warfare Center, China Lake, California, by striking "$30,200,000" in the amount column and inserting "$32,391,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$1,061,221,000".

(b) TERMINATION OF OUTSIDE THE UNITED STATES PROJECT.—The table in section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1287) is amended—

(1) by striking the item relating to Naval Support Activity, Joint Headquarters Command, Larissa, Greece; and

(2) by striking the amount identified as the total in the amount column and inserting "$35,430,000".

(c) CONFORMING AMENDMENTS.—Section 2204 of that Act (115 Stat. 1288) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "$2,366,742,000" and inserting "$2,354,502,000"; and

(B) in paragraph (2), by striking "$47,670,000" and inserting "$35,430,000"; and

(2) in subsection (b)(3), by striking "$20,100,000" and inserting "$22,291,000".

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Termination or modification of authority to carry out certain fiscal year 2003 projects.

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$26,000,000
Alaska	Eielson Air Force Base	$49,061,000
	Elmendorf Air Force Base	$2,000,000
Arizona	Davis-Monthan Air Force Base	$10,062,000
	Luke Air Force Base	$14,300,000
Arkansas	Little Rock Air Force Base	$3,695,000
California	Beale Air Force Base	$22,750,000
	Edwards Air Force Base	$26,744,000
	Los Angeles Air Force Base	$5,000,000
Colorado	Buckley Air Force Base	$7,019,000
	Peterson Air Force Base	$10,200,000
Florida	Hurlburt Field	$27,200,000
	Tyndall Air Force Base	$15,820,000
Georgia	Robins Air Force Base	$37,164,000
Hawaii	Hickam Air Force Base	$80,096,000
Idaho	Mountain Home Air Force Base	$15,245,000
Illinois	Scott Air Force Base	$1,900,000
Mississippi	Columbus Air Force Base	$7,700,000
	Keesler Air Force Base	$2,900,000
Missouri	Whiteman Air Force Base	$11,600,000
Nevada	Nellis Air Force Base	$11,800,000
New Jersey	McGuire Air Force Base	$11,861,000
New Mexico	Cannon Air Force Base	$9,000,000
	Kirtland Air Force Base	$11,247,000
	Tularosa Radar Test Site	$3,600,000
North Carolina	Pope Air Force Base	$24,499,000
	Seymour Johnson Air Force Base	$22,622,000
North Dakota	Minot Air Force Base	$12,690,000
Ohio	Wright-Patterson Air Force Base	$21,100,000
Oklahoma	Altus Air Force Base	$1,167,000
	Tinker Air Force Base	$19,444,000
	Vance Air Force Base	$15,000,000
South Carolina	Charleston Air Force Base	$9,042,000
	Shaw Air Force Base	$8,500,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
South Dakota	Ellsworth Air Force Base	$9,300,000
Texas	Goodfellow Air Force Base	$20,335,000
	Lackland Air Force Base	$57,360,000
	Laughlin Air Force Base	$12,400,000
	Randolph Air Force Base	$13,600,000
	Sheppard Air Force Base	$38,167,000
Utah	Hill Air Force Base	$21,748,000
Virginia	Langley Air Force Base	$25,474,000
Washington	McChord Air Force Base	$19,000,000
	Total	$775,412,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Base	$35,616,000
	Spangdahlem Air Base	$5,411,000
Italy	Aviano Air Base	$14,025,000
Korea	Kunsan Air Base	$7,059,000
	Osan Air Base	$16,638,000
Portugal	Lajes Field, Azores	$4,086,000
United Kingdom	Royal Air Force, Lakenheath	$42,487,000
	Royal Air Force, Mildenhall	$10,558,000
Wake Island	Wake Island	$24,000,000
	Total	$159,880,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or location	Amount
Unspecified Worldwide	Classified Location	$29,501,000
	Total	$29,501,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State or Country	Installation or location	Purpose	Amount
Arizona	Davis-Monthan Air Force Base	93 Units	$19,357,000
California	Travis Air Force Base	56 Units	$12,723,000
Delaware	Dover Air Force Base	112 Units	$19,601,000
Florida	Eglin Air Force Base	279 Units	$32,166,000
Idaho	Mountain Home Air Force Base	186 Units	$37,126,000
Maryland	Andrews Air Force Base	50 Units	$20,233,000
Missouri	Whiteman Air Force Base	100 Units	$18,221,000
Montana	Malmstrom Air Force Base	94 Units	$19,368,000
North Carolina	Seymour Johnson Air Force Base	138 Units	$18,336,000
North Dakota	Grand Forks Air Force Base	144 Units	$29,550,000
	Minot Air Force Base	200 Units	$41,117,000
South Dakota	Ellsworth Air Force Base	75 Units	$16,240,000
Texas	Dyess Air Force Base	116 Units	$19,973,000
	Randolph Air Force Base	96 Units	$13,754,000
Korea	Osan Air Base	111 Units	$44,765,000
Portugal	Lajes Field, Azores	42 Units	$13,428,000
United Kingdom	Royal Air Force, Lakenheath	89 Units	$23,640,000
		Total	$399,598,000

(b) Planning and Design.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $33,488,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $227,979,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,550,890,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $766,932,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $159,880,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2301(c), $28,981,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $16,180,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $95,778,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $657,065,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $826,074,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $10,000,000, which represents corrections to Department of the Air Force estimates for military family housing support.

SEC. 2305. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) TERMINATION OF CLASSIFIED LOCATION PROJECT.—Section 2301(c) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2691) is amended by striking “$24,993,000” both places it appears and inserting “$1,993,000”.

(b) IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.—Section 2303 of that Act (116 Stat. 2693) is amended by striking “$226,068,000” and inserting “$206,721,000”.

(c) CONFORMING AMENDMENTS.—Section 2304(a) of that Act (116 Stat. 2693) is amended—

(1) in the matter preceding paragraph (1), by striking “$2,633,738,000” and inserting “$2,591,391,000”;

(2) in paragraph (3), by striking “$24,993,000” and inserting “$1,993,000”; and

(3) in paragraph (6)(A), by striking “$689,824,000” and inserting “$670,477,000”.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Family housing.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Energy conservation projects.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Termination of authority to carry out certain fiscal year 2003 projects.

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Defense Education Activity	Marine Corps Base, Camp Lejeune, North Carolina	$15,259,000
Defense Logistics Agency	Defense Distribution Depot, New Cumberland, Pennsylvania	$27,700,000
	Eglin Air Force Base, Florida	$4,800,000
	Eielson Air Force Base, Alaska	$17,000,000
	Hickam Air Force Base, Hawaii	$14,100,000
	Hurlburt Field, Florida	$4,100,000
	Offutt Air Force Base, Nebraska	$13,400,000
	Langley Air Force Base, Virginia	$13,000,000
	Laughlin Air Force Base, Texas	$4,688,000
	McChord Air Force Base, Washington	$8,100,000
	Naval Air Station, Kingsville, Texas	$9,200,000
	Nellis Air Force Base, Nevada	$12,800,000
Missile Defense Agency	Redstone Arsenal, Alabama	$20,000,000
National Security Agency	Fort Meade, Maryland	$1,842,000
Special Operations Command	Dam Neck, Virginia	$15,281,000
	Fort Bragg, North Carolina	$36,300,000
	Fort Campbell, Kentucky	$7,800,000
	Harrisburg International Airport, Pennsylvania	$3,000,000
	Hurlburt Field, Florida	$6,000,000
	MacDill Air Force Base, Florida	$25,500,000
	Naval Amphibious Base, Coronado, California	$2,800,000
TRICARE Management Activity	Fort Hood, Texas	$9,400,000
	Naval Station, Anacostia, District of Columbia	$15,714,000
	Naval Submarine Base, New London, Connecticut	$6,700,000
	United States Air Force Academy, Colorado	$22,100,000
	Walter Reed Medical Center, District of Columbia	$9,000,000
Washington Headquarters Services	Arlington, Virginia	$38,086,000
	Total	$363,670,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Education Activity	Sigonella, Italy	$30,234,000

Defense Agencies: Outside the United States—Continued

Agency	Installation or location	Amount
TRICARE Management Activity	Vicenza, Italy	$16,374,000
	Anderson Air Force Base, Guam	$26,000,000
	Total	$72,608,000

SEC. 2402. FAMILY HOUSING.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(8)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $300,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(8)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $50,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $50,000,000.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of $1,222,388,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $361,470,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $55,243,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $15,553,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $8,960,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $65,130,000.

(6) For energy conservation projects authorized by section 2404, $50,000,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $370,427,000.

(8) For military family housing functions:

(A) For planning, design, and improvement of military family housing and facilities, $350,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $49,440,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $300,000.

(9) For construction of the Defense Threat Reduction Center at Fort Belvoir, Virginia, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2695), $25,700,000.

(10) For the construction of phase 5 of an ammunition demilitarization facility at Pueblo Depot Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839) and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $88,388,000.

(11) For the construction of phase 6 of an ammunition demilitarization facility at Newport Army Ammunition Plant, Indiana, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $15,207,000.

(12) For the construction of phase 4 of an ammunition demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298) and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $16,220,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2406. TERMINATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) TERMINATION.—The table in section 2401(b) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2695) is amended—

(1) in the matter relating to Department of Defense Dependents Schools—

(A) by striking the item relating to Seoul, Korea; and

(B) by striking the item relating to Spangdahlem Air Base, Germany;

(2) in the matter relating to TRICARE Management Activity, by striking the item relating to Spangdahlem Air Base, Germany; and

(3) by striking the amount identified as the total in the amount column and inserting "$134,274,000".

(b) CONFORMING AMENDMENTS.—Section 2404(a) of that Act (116 Stat. 2696) is amended—

(1) in the matter preceding paragraph (1), by striking "$1,434,795,000" and inserting "$1,362,486,000"; and

(2) in paragraph (2), by striking "$206,583,000" and inserting "$134,274,000".

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $169,300,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 2003, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $311,592,000; and

(B) for the Army Reserve, $88,451,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $45,498,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $222,908,000; and

(B) for the Air Force Reserve, $62,032,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 2001 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 2000 projects.

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2006; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2007.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects, and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) for which appropriated funds have been obligated before the later of—

(1) October 1, 2006; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2007 for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2001 PROJECTS.

Termination date.

(a) EXTENSION OF CERTAIN PROJECTS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–407)), authorizations set forth in the tables in subsection (b), as provided in section 2102 or 2601 of that Act, shall remain in effect until October 1, 2004, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2005, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 2001 Project Authorization

State	Installation or location	Project	Amount
South Carolina	Fort Jackson	New Construction—Family Housing (1 Unit)	$250,000

Army National Guard: Extension of 2001 Project Authorizations

State	Installation or location	Project	Amount
Arizona	Papago Park	Add/Alter Readiness Center	$2,265,000
Pennsylvania	Mansfield	Readiness Center	$3,100,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2000 PROJECTS.

Termination date.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 841), the authorizations set forth in the tables in subsection (b), as provided in section 2302 or 2601 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2700), shall remain in effect until October 1, 2004, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2005, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Oklahoma	Tinker Air Force Base	Replace Family Housing (41 Units)	$6,000,000

Army National Guard: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Virginia	Fort Pickett	Multi-purpose Range-Heavy	$13,500,000

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Modification of general definitions relating to military construction.

Sec. 2802. Increase in maximum amount of authorized annual emergency construction.
Sec. 2803. Increase in number of family housing units in Italy authorized for lease by the Navy.
Sec. 2804. Increase in authorized maximum lease term for family housing and other facilities in certain foreign countries.
Sec. 2805. Conveyance of property at military installations closed or realigned to support military construction.
Sec. 2806. Inapplicability of space limitations to military unaccompanied housing units acquired or constructed under alternative authority.
Sec. 2807. Additional material for reports on housing privatization program.
Sec. 2808. Temporary, limited authority to use operation and maintenance funds for construction projects outside the United States.
Sec. 2809. Report on military construction requirements to support new homeland defense missions of the Armed Forces.

Subtitle B—Real Property and Facilities Administration

Sec. 2811. Enhancement of authority to acquire low-cost interests in land.
Sec. 2812. Retention and availability of amounts realized from energy cost savings.
Sec. 2813. Acceptance of in-kind consideration for easements.

Subtitle C—Base Closure and Realignment

Sec. 2821. Consideration of public-access-road issues related to base closure, realignment, or placement in inactive status.
Sec. 2822. Consideration of surge requirements in 2005 round of base realignments and closures.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

Sec. 2831. Termination of lease and conveyance of Army Reserve facility, Conway, Arkansas.
Sec. 2832. Land conveyance, Fort Campbell, Kentucky and Tennessee.
Sec. 2833. Land conveyance, Fort Knox, Kentucky.
Sec. 2834. Army National Guard Armory, Pierce City, Missouri.
Sec. 2835. Land exchange, Fort Belvoir, Virginia.

PART II—NAVY CONVEYANCES

Sec. 2841. Land conveyance, Navy property, Dixon, California.
Sec. 2842. Land conveyance, Marine Corps Logistics Base, Albany, Georgia.
Sec. 2843. Land exchange, Naval and Marine Corps Reserve Center, Portland, Oregon.
Sec. 2844. Land conveyance, Naval Reserve Center, Orange, Texas.
Sec. 2845. Land conveyance, Puget Sound Naval Shipyard, Bremerton, Washington.

PART III—AIR FORCE CONVEYANCES

Sec. 2851. Land exchange, March Air Reserve Base, California.
Sec. 2852. Actions to quiet title, Fallin Waters Subdivision, Eglin Air Force Base, Florida.
Sec. 2853. Modification of land conveyance, Eglin Air Force Base, Florida.

PART IV—OTHER CONVEYANCES

Sec. 2861. Land conveyance, Air Force and Army Exchange Service property, Dallas, Texas.
Sec. 2862. Land conveyance, Umnak Island, Alaska.

Subtitle E—Other Matters

Sec. 2871. Authority to accept guarantees with gifts in development of Marine Corps Heritage Center, Marine Corps Base, Quantico, Virginia.
Sec. 2872. Redesignation of Yuma Training Range Complex as Bob Stump Training Range Complex.
Sec. 2873. Feasibility study regarding conveyance of Louisiana Army Ammunition Plant, Doyline, Louisiana.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. MODIFICATION OF GENERAL DEFINITIONS RELATING TO MILITARY CONSTRUCTION.

(a) MILITARY CONSTRUCTION.—Subsection (a) of section 2801 of title 10, United States Code, is amended by inserting before the period the following: ", whether to satisfy temporary or permanent requirements".

(b) MILITARY INSTALLATION.—Subsection (c)(2) of such section is amended by inserting before the period the following: ", without regard to the duration of operational control".

SEC. 2802. INCREASE IN MAXIMUM AMOUNT OF AUTHORIZED ANNUAL EMERGENCY CONSTRUCTION.

Section 2803(c)(1) of title 10, United States Code, is amended by striking "$30,000,000" and inserting "$45,000,000".

SEC. 2803. INCREASE IN NUMBER OF FAMILY HOUSING UNITS IN ITALY AUTHORIZED FOR LEASE BY THE NAVY.

Section 2828(e)(2) of title 10, United States Code, is amended by striking "2,000" and inserting "2,800".

SEC. 2804. INCREASE IN AUTHORIZED MAXIMUM LEASE TERM FOR FAMILY HOUSING AND OTHER FACILITIES IN CERTAIN FOREIGN COUNTRIES.

(a) LEASE OF MILITARY FAMILY HOUSING.—Section 2828(d)(1) of title 10, United States Code, is amended by striking "ten years," and inserting "10 years, or 15 years in the case of leases in Korea,".

(b) LEASE OF OTHER FACILITIES.—Section 2675 of such title is amended by inserting after "five years," the following: "or 15 years in the case of a lease in Korea,".

SEC. 2805. CONVEYANCE OF PROPERTY AT MILITARY INSTALLATIONS CLOSED OR REALIGNED TO SUPPORT MILITARY CONSTRUCTION.

(a) IN GENERAL.—(1) Subchapter III of chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2869. Conveyance of property at military installations closed or realigned to support military construction

"(a) CONVEYANCE AUTHORIZED; CONSIDERATION.—The Secretary concerned may enter into an agreement to convey real property, including any improvements thereon, located on a military installation that is closed or realigned under a base closure law to any person who agrees, in exchange for the real property—

"(1) to carry out a military construction project or land acquisition; or

"(2) to transfer to the Secretary concerned housing that is constructed or provided by the person and located at or near a military installation at which there is a shortage of suitable military family housing, military unaccompanied housing, or both.

"(b) CONDITIONS ON CONVEYANCE AUTHORITY.—The fair market value of the military construction, military family housing, or military unaccompanied housing to be obtained by the Secretary concerned under subsection (a) in exchange for the conveyance of real property by the Secretary under such subsection shall be at least equal to the fair market value of the conveyed real property, as determined by the Secretary. If the fair market value of the military construction, military family housing, or military unaccompanied housing is less than the fair market value of the real property to be conveyed, the recipient of the property shall pay to the United States an amount equal to the difference in the fair market values.

"(c) PILOT PROGRAM FOR USE OF AUTHORITY.—(1) To the maximum extent practicable, the Secretary of each military department shall use the conveyance authority provided by subsection (a) at least once before December 31, 2004, for the purposes specified in such subsection.

"(2) The value of the consideration received by the Secretary concerned in a conveyance carried out under this subsection shall not be less than $1,000,000.

Reports.

"(3) In the case of the report required under subsection (f) to be submitted in 2005, the Secretary of Defense shall include the following:

"(A) A description of the conveyances carried out or proposed under this subsection.

"(B) A description of the procedures utilized to enter into any agreements for the conveyance of property under this subsection.

"(C) An assessment of the utility of such procedures for the disposal of property at military installations closed or realigned under the base closure laws, and for securing services described in subsection (a), including an assessment of any time saved and cost-savings achieved as a result of the use of the conveyance authority provided by this section.

"(D) An assessment of private sector interest in the use of the conveyance authority provided by this section.

"(E) A description of the projects for which the Secretary concerned considered using the conveyance authority provided by this section, but did not do so, and an explanation of the decision.

Federal Register, publication.

"(d) ADVANCE NOTICE OF USE OF AUTHORITY.—(1) Notice of the proposed use of the conveyance authority provided by subsection (a) shall be provided in such manner as the Secretary of Defense may prescribe, including publication in the Federal Register and otherwise. When real property located at a military installation closed or realigned under the base closure laws is to be conveyed by means of a public sale, the Secretary concerned may notify prospective purchasers that consideration for the property may be provided in the manner authorized by such subsection.

"(2) The Secretary concerned may not enter into an agreement under subsection (a) for the conveyance of real property until—

"(A) the Secretary submits to Congress notice of the conveyance, including the military construction activities, military family housing, or military unaccompanied housing to be obtained in exchange for the conveyance; and

"(B) a period of 14 days expires beginning on the date on which the notice is submitted.

"(e) DEPOSIT OF FUNDS.—The Secretary concerned may deposit funds received under subsection (b) in the Department of Defense housing funds established under section 2883(a) of this title.

"(f) ANNUAL REPORT.—In the budget materials submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31, the Secretary of Defense shall include a report detailing the following:

"(1) The extent to which the Secretaries concerned used the authority provided by subsection (a) during the preceding fiscal year to convey real property in exchange for military construction and military housing, including the total value of the real property that was actually conveyed during such fiscal year using such authority and the total value of the military construction and military housing services obtained in exchange.

"(2) The plans for the use of such authority for the current fiscal year, the fiscal year covered by the budget, and the period covered by the current future-years defense program under section 221 of this title.

"(3) The current inventory of unconveyed lands at military installations closed or realigned under a base closure law.

"(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of real property conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary concerned.

"(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with a conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.".

(2) The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

"2869. Conveyance of property at military installations closed or realigned to support military construction.".

(b) EXCEPTION TO REQUIREMENT FOR AUTHORIZATION OF NUMBER OF HOUSING UNITS.—Section 2822(b) of such title is amended by adding at the end the following new paragraph: 10 USC 2822.

"(6) Housing units constructed or provided under section 2869 of this title.".

(c) CONFORMING AMENDMENT TO DEPARTMENT OF DEFENSE HOUSING FUNDS.—Section 2883(c) of such title is amended— 10 USC 2883.

(1) in paragraph (1), by adding at the end the following new subparagraph:

"(F) Any amounts that the Secretary concerned transfers to that Fund pursuant to section 2869 of this title."; and

(2) in paragraph (2), by adding at the end the following new subparagraph:

"(F) Any amounts that the Secretary concerned transfers to that Fund pursuant to section 2869 of this title.".

(d) CONFORMING REPEALS TO BASE CLOSURE LAWS.—(1) Section 204(e) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is repealed.

(2) Section 2905(f) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is repealed.

SEC. 2806. INAPPLICABILITY OF SPACE LIMITATIONS TO MILITARY UNACCOMPANIED HOUSING UNITS ACQUIRED OR CONSTRUCTED UNDER ALTERNATIVE AUTHORITY.

Section 2880(b)(2) of title 10, United States Code, is amended by striking "unless the unit is located on a military installation".

SEC. 2807. ADDITIONAL MATERIAL FOR REPORTS ON HOUSING PRIVATIZATION PROGRAM.

(a) REPORTS ON SPECIFIC PROJECTS.—Subsection (a) of section 2884 of title 10, United States Code, is amended—

(1) by designating the second sentence of paragraph (2) as paragraph (4); and

(2) by inserting after the first sentence in paragraph (2) the following new paragraph:

"(3)(A) In the case of a contract described in paragraph (1) proposed to be entered into with a private party, the report shall specify whether the contract will or may include a guarantee (including the making of mortgage or rental payments) by the Secretary to the private party in the event of—

"(i) the closure or realignment of the installation for which housing will be provided under the contract;

"(ii) a reduction in force of units stationed at such installation; or

"(iii) the extended deployment of units stationed at such installation.

"(B) If the contract will or may include such a guarantee, the report shall also—

"(i) describe the nature of the guarantee; and

"(ii) assess the extent and likelihood, if any, of the liability of the United States with respect to the guarantee.".

(b) ANNUAL REPORTS.—Subsection (b) of such section is amended—

(1) in paragraph (2), by inserting before the period at the end the following: ", and such recommendations as the Secretary considers necessary for improving the extent and effectiveness of the use of such authorities in the future"; and

(2) by striking paragraph (3) and inserting the following new paragraphs:

"(3) A review of activities of the Secretary under this subchapter during such preceding fiscal year, shown for military family housing, military unaccompanied housing, dual military family housing and military unaccompanied housing, and ancillary supporting facilities.

"(4) If a contract for the acquisition or construction of military family housing, military unaccompanied housing, or dual military family housing and military unaccompanied housing entered into during the preceding fiscal year did not include the acquisition or construction of the types of ancillary supporting facilities specifically referred to in section 2871(1) of this title, a explanation of the reasons why such ancillary supporting facilities were not included.

"(5) A description of the Secretary's plans for housing privatization activities under this subchapter: (A) during the fiscal year for which the budget is submitted; and (B) during the period covered by the then-current future-years defense plan under section 221 of this title.".

SEC. 2808. TEMPORARY, LIMITED AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.

(a) TEMPORARY AUTHORITY.—During fiscal year 2004, the Secretary of Defense may use this section as authority to obligate appropriated funds available for operation and maintenance to carry out a construction project outside the United States that the Secretary determines meets each of the following conditions:

(1) The construction is necessary to meet urgent military operational requirements of a temporary nature involving the use of the Armed Forces in support of a declaration of war, the declaration by the President of a national emergency under section 201 of the National Emergencies Act (50 U.S.C. 1621), or a contingency operation.

(2) The construction is not carried out at a military installation where the United States is reasonably expected to have a long-term presence.

(3) The United States has no intention of using the construction after the operational requirements have been satisfied.

(4) The level of construction is the minimum necessary to meet the temporary operational requirements.

Deadline.

(b) NOTIFICATION OF OBLIGATION OF FUNDS.—Within seven days after the date on which appropriated funds available for operation and maintenance are first obligated for a construction project under subsection (a), the Secretary of Defense shall submit to the congressional committees specified in subsection (f) notice of the obligation of the funds and the construction project. The notice shall include the following:

(1) Certification that the conditions specified in subsection (a) are satisfied with regard to the construction project.

(2) A description of the purpose for which appropriated funds available for operation and maintenance are being obligated.

(3) All relevant documentation detailing the construction project.

(4) An estimate of the total amount obligated for the construction.

(c) LIMITATION ON USE OF AUTHORITY.—(1) The total cost of the construction projects carried out under the authority of this section using, in whole or in part, appropriated funds available for operation and maintenance shall not exceed $200,000,000 in fiscal year 2004.

(2) The Secretary of Defense may waive the limitation imposed by paragraph (1) if the Secretary determines that the obligation of operation and maintenance funds for construction projects in excess of the amount specified in such subsection is vital to the national security.

Deadline.

(3) Not later than five days after the date on which a waiver is granted under paragraph (2), the Secretary of Defense shall submit to the congressional committees specified in subsection (f) notice containing the reasons for the waiver.

(d) QUARTERLY REPORT.—Not later than 30 days after the end of each fiscal-year quarter of fiscal year 2004, the Secretary of Defense shall submit to the congressional committees specified in subsection (f) a report on the worldwide obligation and expenditure during that quarter of appropriated funds available for operation and maintenance for construction projects.

10 USC 2805 note.

(e) RELATION TO OTHER AUTHORITIES.—The temporary authority provided by this section, and the limited authority provided by section 2805(c) of title 10, United States Code, to use appropriated funds available for operation and maintenance to carry out a construction project are the only authorities available to the Secretary of Defense and the Secretaries of the military departments to use appropriated funds available for operation and maintenance to carry out construction projects.

(f) CONGRESSIONAL COMMITTEES.—The congressional committees referred to in this section are the following:

(1) The Committee on Armed Services and the Subcommittees on Defense and Military Construction of the Committee on Appropriations of the Senate.

(2) The Committee on Armed Services and the Subcommittees on Defense and Military Construction of the Committee on Appropriations of the House of Representatives.

SEC. 2809. REPORT ON MILITARY CONSTRUCTION REQUIREMENTS TO SUPPORT NEW HOMELAND DEFENSE MISSIONS OF THE ARMED FORCES.

Deadline.

Not later than February 15, 2004, the Secretary of Defense shall submit to Congress a report describing all military construction projects carried out to support new homeland defense missions of the Armed Forces undertaken since September 11, 2001, and containing an assessment of the military construction requirements anticipated to be necessary during fiscal years 2005, 2006, and 2007 to support such missions.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. ENHANCEMENT OF AUTHORITY TO ACQUIRE LOW-COST INTERESTS IN LAND.

(a) INCREASE IN ACQUISITION THRESHOLD.—Section 2672 of title 10, United States Code, is amended—

(1) by redesignating subsections (a)(2) and (b) as subsections (b) and (c), respectively;

(2) in subsection (a)—

(A) in paragraph (1)(B), by striking "$500,000" and inserting "$750,000"; and

(B) by inserting after paragraph (1) the following new paragraph (2):

"(2) The Secretary of a military department may acquire any interest in land that—

"(A) the Secretary determines is needed solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening; and

"(B) does not cost more than $1,500,000, exclusive of administrative costs and the amounts of any deficiency judgments."; and

(3) in subsection (b), as so redesignated, by striking "$500,000" and inserting "$750,000, in the case of an acquisition under subsection (a)(1), or $1,500,000, in the case of an acquisition under subsection (a)(2)".

(b) CLERICAL AMENDMENTS.—(1) Such section is further amended—

(A) in subsection (a), by inserting "ACQUISITION AUTHORITY.—" before "(1)";

(B) in subsection (b), as redesignated by subsection (a)(1), by inserting "ACQUISITION OF MULTIPLE PARCELS.—" before "This section"; and

(C) in subsection (c), as redesignated by subsection (a)(1), by inserting "SURVEY AND ACQUISITION METHODS.—" before "The authority".

(2) The heading of such section is amended to read as follows:

"§ 2672. Authority to acquire low-cost interests in land".

(3) The item relating to section 2672 in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

"2672. Authority to acquire low-cost interests in land.".

SEC. 2812. RETENTION AND AVAILABILITY OF AMOUNTS REALIZED FROM ENERGY COST SAVINGS.

(a) IN GENERAL.—Section 2865(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "Two-thirds of the portion of the funds appropriated" and inserting "An amount of the funds appropriated";

(2) in paragraph (2), by striking "The Secretary" and inserting "The Secretary of Defense"; and

(3) by adding at the end the following new paragraph:

"(4) The Secretary of Defense shall include in the budget material submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31 a separate statement of the amounts available for obligation under this subsection in such fiscal year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall not apply to funds appropriated for a fiscal year before fiscal year 2004. 10 USC 2865 note.

SEC. 2813. ACCEPTANCE OF IN-KIND CONSIDERATION FOR EASEMENTS.

(a) EASEMENTS FOR RIGHTS-OF-WAY.—Section 2668(e) of title 10, United States Code, is amended—

(1) by striking "Subsection (d)" and inserting "Subsections (c) and (d)";

(2) by inserting "in-kind consideration and" before "proceeds"; and

(3) by striking "subsection applies to" and inserting "subsections apply to in-kind consideration and".

(b) EASEMENTS FOR UTILITY LINES.—Section 2669(e) of such title is amended—

(1) by striking "Subsection (d)" and inserting "Subsections (c) and (d)";

(2) by inserting "in-kind consideration and" before "proceeds"; and

(3) by striking "subsection applies to" and inserting "subsections apply to in-kind consideration and".

Subtitle C—Base Closure and Realignment

SEC. 2821. CONSIDERATION OF PUBLIC-ACCESS-ROAD ISSUES RELATED TO BASE CLOSURE, REALIGNMENT, OR PLACEMENT IN INACTIVE STATUS.

Section 2905(b)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by adding at the end the following new subparagraph:

"(E) If a military installation to be closed, realigned, or placed in an inactive status under this part includes a road used for public access through, into, or around the installation, the Secretary of Defense shall consult with the Governor of the State and the heads of the local governments concerned for the purpose of considering the continued availability of the road for public use after the installation is closed, realigned, or placed in an inactive status.".

10 USC 2687 note.

SEC. 2822. CONSIDERATION OF SURGE REQUIREMENTS IN 2005 ROUND OF BASE REALIGNMENTS AND CLOSURES.

(a) DETERMINATION OF SURGE REQUIREMENTS.—The Secretary of Defense shall assess the probable threats to national security and, as part of such assessment, determine the potential, prudent, surge requirements to meet those threats.

(b) USE OF DETERMINATION.—The Secretary shall use the surge requirements determination made under subsection (a) in the base realignment and closure process under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as amended by title XXX of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1342).

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2831. TERMINATION OF LEASE AND CONVEYANCE OF ARMY RESERVE FACILITY, CONWAY, ARKANSAS.

(a) TERMINATION OF LEASE.—Upon the completion of the replacement facility authorized for the Army Reserve facility located in Conway, Arkansas, the Secretary of the Army may terminate the 99-year lease between the Secretary and the University of Central Arkansas for the property on which the old facility is located.

(b) CONVEYANCE OF FACILITY.—As part of the termination of the lease under subsection (a), the Secretary may convey, without consideration, to the University of Central Arkansas all right, title, and interest of the United States in and to the Army Reserve facility located on the leased property.

(c) ASSUMPTION OF LIABILITY.—The University of Central Arkansas shall expressly accept any and all liability pertaining to the physical condition of the Army Reserve facility conveyed under subsection (b) and shall hold the United States harmless from any and all liability arising from the facility's physical condition.

SEC. 2832. LAND CONVEYANCE, FORT CAMPBELL, KENTUCKY AND TENNESSEE.

Highways.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the department of transportation of the State of Tennessee all right, title, and interest of the United States in and to a parcel of real property (right-of-way), including any improvements thereon, located at Fort Campbell, Kentucky and Tennessee, for the purpose of realigning and upgrading United States Highway 79 from a two-lane highway to a four-lane highway.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the department of transportation of the State of Tennessee shall pay from any source (including Federal funds made available to the State from the Highway Trust Fund) all of the costs of the Secretary incurred—

(A) to convey the property, including costs related to the preparation of documents under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), surveys (including all surveys required under subsection (c)), cultural reviews, and administrative oversight;

(B) to relocate a cemetery to permit the highway realignment and upgrading;

(C) to acquire approximately 200 acres of mission-essential replacement property required to support the training mission at Fort Campbell; and

(D) to dispose of residual Federal property located south of the realigned highway.

(2) The Secretary of the Army may accept funds under this subsection from the State of Tennessee or transferred by the Secretary of Transportation at the request of the State from Federal-aid highway funds made available to the State to pay costs described in paragraph (1) and credit them to the appropriate Department of the Army accounts for the purpose of paying such costs.

(3) All funds made available from the Highway Trust Fund to pay costs described in paragraph (1) shall be provided subject to the requirements of section 120(b) of title 23, United States Code, relating to the Federal share payable on account of a project or activity.

(4) All funds accepted by the Secretary under this subsection shall remain available until expended.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) or acquired and disposed of under subsection (b) shall be determined by surveys satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. LAND CONVEYANCE, FORT KNOX, KENTUCKY.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Department of Veterans Affairs of the Commonwealth of Kentucky (in this section referred to as the "Department") all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 93 acres at Fort Knox, Kentucky, for the purpose of permitting the Department to establish and operate a State-run cemetery for veterans of the Armed Forces.

(b) Reimbursement for Costs of Conveyance.—(1) The Department shall reimburse the Secretary for any costs incurred by the Secretary in making the conveyance under subsection (a), including costs related to environmental documentation and other administrative costs. This paragraph does not apply to costs associated with the environmental remediation of the property to be conveyed.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(c) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(d) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2834. ARMY NATIONAL GUARD ARMORY, PIERCE CITY, MISSOURI.

(a) Contribution Authorized.—The Secretary of the Army may make a contribution under section 18233(a) of title 10, United States Code, for a facility for a new Army National Guard armory in Pierce City, Missouri, in excess of the contribution otherwise authorized by section 18236(b)(2) of such title, if the Secretary determines that—

(1) there is a compelling and immediate need for the construction of the facility;

(2) the requirement for the facility was unanticipated and results from a natural disaster;

(3) failure to construct the facility immediately would have an adverse impact on the mission of the unit assigned to the facility; and

(4) the real property for the facility will be provided by the State of Missouri.

(b) Limitation.—The amount of the additional contribution provided pursuant to subsection (a), which would otherwise be required by section 18236(b)(2) of title 10, United States Code, from the State of Missouri for the construction of the facility, may not exceed the amount specified in section 18233a(a)(1) of such title.

(c) Authority to Accept Real Property From State.—The Secretary may accept from the State of Missouri the donation of real property, in addition to the real property required to be contributed by the State under subsection (a)(4), that is acceptable to the Secretary and has a market value not in excess of the amount of the additional contribution provided pursuant to subsection (a).

SEC. 2835. LAND EXCHANGE, FORT BELVOIR, VIRGINIA.

(a) Land Exchange Authorized.—Upon receipt of the consideration referred to in subsection (b), the Secretary of the Army may convey to the Fairfax County Park Authority of Fairfax County, Virginia (in this section referred to as the “Authority”), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 12 acres at Fort Belvoir, Virginia.

(b) CONSIDERATION.—As consideration for the conveyance of the property under subsection (a), the Authority shall convey to the United States all right, title, and interest of the Authority in and to a parcel of real property acceptable to the Secretary. The Secretary shall have administrative jurisdiction over the real property received under this subsection.

(c) COSTS OF CONVEYANCE.—(1) The Secretary may collect funds from the Authority to cover costs incurred or to be incurred by the Secretary to carry out a conveyance under this section, including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Authority in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Authority.

(2) Amounts collected under paragraph (1) to cover costs previously incurred by the Secretary shall be credited to the fund or account that was used to cover the costs. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

PART II—NAVY CONVEYANCES

SEC. 2841. LAND CONVEYANCE, NAVY PROPERTY, DIXON, CALIFORNIA.

Housing.
Aliens.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the Housing Authority of the City of Dixon, California, (in this section referred to as the "Housing Authority"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that consists of approximately 40.41 acres located at 7290 Radio Station Road in Dixon, California, and is currently used by the Housing Authority as the site for the Fred H. Rehman Dixon Migrant Center for the purpose of permitting the Housing Authority to continue to provide suitable housing and support services to migrant workers.

(b) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary shall require the Housing Authority to cover costs to be incurred by the Secretary after the date of the enactment of this Act, or to reimburse the Secretary for costs incurred by the Secretary after such date, to carry out the conveyance under subsection (a), including any survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Housing Authority in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Housing Authority.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(c) Exemption From Federal Screening.—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(d) Description of Property.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. LAND CONVEYANCE, MARINE CORPS LOGISTICS BASE, ALBANY, GEORGIA.

(a) Conveyance Authorized.—The Secretary of the Navy may convey through negotiated sale to the Preferred Development Group Corporation, a corporation incorporated in the State of Georgia and authorized to do business in the State of Georgia (in this section referred to as the “Corporation”), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 10.44 acres located at Turner Field Road and McAdams Road in Albany, Georgia, for the purpose of permitting the Corporation to use the property for economic development.

(b) Conditions of Conveyance.—The conveyance under subsection (a) shall be subject to the following conditions:

(1) That the Corporation accept the real property in its condition at the time of the conveyance, commonly known as conveyance “as is”.

(2) That the Corporation bear all costs related to the use and redevelopment of the real property.

(c) Consideration.—(1) As consideration for the conveyance under subsection (a), the Corporation shall pay to the United States an amount, determined pursuant to negotiations between the Secretary and the Corporation and based upon the fair market value of the property (as determined pursuant to an appraisal acceptable to the Secretary), that is appropriate for the property.

(2) The consideration received under this subsection shall be deposited in the Department of Defense Base Closure Account 1990 established by section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).

(d) Payment of Costs of Conveyance.—(1) The Secretary may require the Corporation to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance.

If amounts are collected from the Corporation in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Corporation.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(e) EXEMPTION FROM FEDERAL SCREENING.—The conveyance under subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2843. LAND EXCHANGE, NAVAL AND MARINE CORPS RESERVE CENTER, PORTLAND, OREGON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the United Parcel Service, Inc. (in this section referred to as “UPS”), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 14 acres in Portland, Oregon, and comprising the Naval and Marine Corps Reserve Center for the purpose of facilitating the expansion of the UPS main distribution complex in Portland.

(b) PROPERTY RECEIVED IN EXCHANGE.—(1) As consideration for the conveyance under subsection (a), UPS shall—

(A) convey to the United States a parcel of real property determined to be suitable by the Secretary; and

(B) design, construct, and convey to the United States such replacement facilities on that property as the Secretary considers appropriate.

(2) The value of the real property and replacement facilities received by the Secretary under this subsection shall be at least equal to the fair market value of the real property conveyed under subsection (a), as determined by the Secretary.

(c) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary may require UPS to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, relocation expenses incurred under subsection (b), and other administrative costs related to the conveyance. If amounts are collected from UPS in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to UPS.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) CONDITION OF CONVEYANCE.—The Secretary may not make the conveyance authorized by subsection (a) until the Secretary determines that the replacement facilities required by subsection (b) are suitable and available for the relocation of the operations of the Naval and Marine Corps Reserve Center.

(e) EXEMPTION FROM FEDERAL SCREENING.—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2844. LAND CONVEYANCE, NAVAL RESERVE CENTER, ORANGE, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the City of Orange, Texas (in this section referred to as the “City”), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 2.5 acres at Naval Reserve Center, Orange, Texas, for the purpose of permitting the City to use the property for road construction, economic development, and other public purposes.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City shall provide the United States, whether by cash payment, in-kind contribution, or a combination thereof, an amount that is not less than the fair market value, as determined by the Secretary, of the property conveyed under such subsection.

(c) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary may require the City to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the City in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the City.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) EXEMPTION FROM FEDERAL SCREENING.—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2845. LAND CONVEYANCE, PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the City of Bremerton, Washington (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 2.8 acres at the eastern end of the Puget Sound Naval Shipyard, Bremerton, Washington, immediately adjacent to the Bremerton Transportation Center.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City, directly or through an agreement with another entity, shall replace administrative space on the parcel to be conveyed by renovating for new occupancy approximately 7,500 square feet of existing space in Building 433 at Naval Station, Bremerton, Washington, at no cost to the United States, in accordance with plans and specifications acceptable to the Secretary. In lieu of any portion of such renovation, the Secretary may accept other facility alteration or repair of not less than equal value.

(c) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary shall require the City to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the City in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the City.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) ENVIRONMENTAL CONDITIONS.—The Secretary may use funds available in the Environmental Restoration Account, Navy to carry out the environmental remediation of the real property to be conveyed under subsection (a). Such environmental remediation shall be conducted in a manner consistent with section 120 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620), including the requirement to consider the anticipated future land use of the parcel.

(e) EXEMPTION FROM FEDERAL SCREENING.—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(f) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

PART III—AIR FORCE CONVEYANCES

SEC. 2851. LAND EXCHANGE, MARCH AIR RESERVE BASE, CALIFORNIA.

(a) Exchange Authorized.—(1) The Secretary of the Army may convey to the March Joint Powers Authority of Moreno Valley, California (in this section referred to as the "JPA"), all right, title, and interest of the United States in and to five parcels of real property, including any improvements thereon, located at March Air Reserve Base, California (former March Air Force Base), and consisting of approximately 36.74 total acres.

(2) The Secretary of the Navy may convey to JPA all right, title, and interest of the United States in and to two parcels of real property, including any improvements thereon, located at March Air Reserve Base and consisting of approximately 10.181 total acres.

(b) Consideration.—As consideration for the conveyances under subsection (a), JPA shall release any interest it may have in two contiguous parcels of real property located at March Air Reserve Base and consisting of approximately 20 acres and 28 acres, respectively.

(c) Transfer of Jurisdiction.—The Secretary of the Air Force shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Army the parcels of real property described in subsection (b).

(d) Description of Property.—The exact acreage and legal description of the parcels of real property to be conveyed under this section shall be determined by surveys satisfactory to the Secretaries concerned.

(e) Additional Terms and Conditions.—The Secretaries concerned may require such additional terms and conditions in connection with the conveyances under this section as the Secretaries consider appropriate to protect the interests of the United States.

SEC. 2852. ACTIONS TO QUIET TITLE, FALLIN WATERS SUBDIVISION, EGLIN AIR FORCE BASE, FLORIDA.

(a) Authority to Quiet Title.—(1) Notwithstanding the restoration provisions under the heading "QUARTERMASTER CORPS" in the Second Deficiency Appropriation Act, 1940 (Act of June 27, 1940; chapter 437; 54 Stat. 655), the Secretary of the Air Force may take appropriate action to quiet title to tracts of land referred to in paragraph (2) on, at, adjacent to, adjoining, or near Eglin Air Force Base, Florida. The Secretary may take such action in order to resolve encroachments upon private property by the United States and upon property of the United States by private parties, which resulted from reliance on inaccurate surveys.

(2) The tracts of land referred to in paragraph (1) are generally described as south of United States Highway 98 and bisecting the north/south section line of sections 13 and 14, township 2 south, range 25 west, located in the platted subdivision of Fallin

Waters, Okaloosa County, Florida. The exact acreage and legal description of such tracts of land shall be determined by a survey satisfactory to the Secretary.

(b) AUTHORIZED ACTIONS.—In carrying out subsection (a), appropriate action by the Secretary may include any of the following:

(1) Disclaiming, on behalf of the United States, any intent by the United States to acquire by prescription any property at or in the vicinity of Eglin Air Force Base.

(2) Disposing of tracts of land owned by the United States.

(3) Acquiring tracts of land by purchase, by donation, or by exchange for tracts of land owned by the United States at or adjacent to Eglin Air Force Base.

(c) ACREAGE LIMITATIONS.—Individual tracts of land acquired or conveyed by the Secretary under paragraph (2) or (3) of subsection (b) may not exceed .10 acres. The total acreage so acquired may not exceed two acres.

(d) CONSIDERATION.—Any conveyance by the Secretary under this section may be made, at the discretion of the Secretary, without consideration, or by exchange for tracts of land adjoining Eglin Air Force Base in possession of private parties who mistakenly believed that they had acquired title to such tracts.

SEC. 2853. MODIFICATION OF LAND CONVEYANCE, EGLIN AIR FORCE BASE, FLORIDA.

(a) MODIFICATION.—Public Law 91–347 (84 Stat. 447) is amended—

(1) in the first section, by inserting "or for other public purposes" before the period at the end; and

(2) in section 3(1)—

(A) by inserting "or for other public purposes" after "schools"; and

(B) by striking "such purpose" and inserting "such a purpose".

Records.

(b) ALTERATION OF LEGAL INSTRUMENT.—The Secretary of the Air Force shall execute and file in the appropriate office an amended deed or other appropriate instrument effectuating the modification of the reversionary interest retained by the United States in connection with the conveyance made pursuant to Public Law 91–347.

PART IV—OTHER CONVEYANCES

SEC. 2861. LAND CONVEYANCE, AIR FORCE AND ARMY EXCHANGE SERVICE PROPERTY, DALLAS, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of Defense may authorize the Army and Air Force Exchange Service, a nonappropriated fund instrumentality of the United States, to convey, by sale, all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 7.5 acres located at 1515 Roundtable Drive in Dallas, Texas.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the purchaser shall pay the United States, in a single lump sum payment, an amount equal to the fair market value of the real property, determined pursuant to an appraisal acceptable to the Secretary.

(c) Treatment of Consideration.—Section 574(a) of title 40, United States Code, shall apply to the consideration received under subsection (b), except that in the application of such section, all of the proceeds shall be credited to the Army and Air Force Exchange Service.

(d) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the purchaser.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2862. LAND CONVEYANCE, UMNAK ISLAND, ALASKA.

(a) Definitions.—In this section—

(1) The term “Aleut Corporation” means the regional corporation established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) for the region in which the Native Village of Nikolski, Alaska, is located.

(2) The term “Chaluka Corporation” means the village corporation established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) for the Native Village of Nikolski, Alaska.

(3) The term “former Nikolski Radio Relay Site” means the portions of Tracts A, B, and C of Public Land Order 2374 that are surveyed as Tracts 37, 37A, 38, 39, 39A, and 40 of township 83 south, range 136 west, Seward meridian, Alaska, and Tract B of United States Survey 4904, Alaska, except—

(A) lots 1, 2, 5, 6, and 9 of Tract B of Amended United States Survey 4904; and

(B) the Nikolski powerhouse land.

(4) The term “Nikolski powerhouse land” means the parcel of land upon which is located the power generation building for supplying power to the Native Village of Nikolski, the boundaries of which are described generally as follows:

(A) Beginning at the point at which the southerly boundary of Tract 39 of township 83 south, range 136 west, Seward meridian, Alaska, intersects the easterly boundary of the road that connects the Native Village of Nikolski and the airfield at Nikolski.

(B) Then meandering in a northeasterly direction along the easterly boundary of that road until the road intersects the westerly boundary of the road that connects Umnak Lake and the airfield.

(C) Then meandering in a southerly direction along the western boundary of that Umnak Lake road until that western boundary intersects the southern boundary of such Tract 39.

(D) Then proceeding eastward along the southern boundary of such Tract 39 to the beginning point.

(5) The term “Phase I lands” means Tract 39 of township 83 south, range 136 west, Seward meridian, excluding the Nikolski powerhouse land.

(6) The term “Phase II lands” means the portion of the former Nikolski Radio Relay Site not conveyed as Phase I lands.

(7) The term "Public Land Order 2374" refers to the Public Land Order issued in 1961 under which the Department of the Interior withdrew public domain lands in the vicinity of the Native Village of Nikolski on Umnak Island, Alaska, for use by the Department of the Air Force as a radio relay site.

(b) OFFER OF CONVEYANCE.—Subject to the requirements of this section, the Chaluka Corporation is hereby offered ownership of the surface estate in the former Nikolski Radio Relay Site on Umnak Island, Alaska, and the Aleut Corporation is hereby offered the subsurface estate of the former Nikolski Radio Relay Site, in exchange for relinquishment by the Chaluka Corporation and the Aleut Corporation of lot 1, section 14, township 81 south, range 133 west, Seward meridian, Alaska.

(c) ACCEPTANCE AND RELINQUISHMENT.—(1) The Secretary of the Interior shall convey the former Nikolski Radio Relay Site as provided in subsection (d), if the Chaluka Corporation takes the actions specified in paragraph (2) and the Aleut Corporation takes the actions specified in paragraph (3).

(2) As a condition for conveyance under subsection (d), the Chaluka Corporation shall notify the Secretary of the Interior, within 180 days after the date of the enactment of this Act, that, by means of a legally binding resolution of its board of directors (accompanied by the written legal opinion of counsel as to the legal sufficiency of the board of directors' action), the Chaluka Corporation—

(A) accepts the offer under subsection (b);

(B) confirms that the area surveyed by the Bureau of Land Management for the purpose of fulfilling the Chaluka Corporation's final entitlements under section 12(a) and (b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(a) and (b)), identified as Group Survey Number 773, accurately represents the Chaluka Corporation's final, irrevocable Alaska Native Claims Settlement Act priorities and entitlements, unless any tract in Group Survey Number 773 is ultimately not conveyed as the result of an appeal; and

(C) relinquishes lot 1, section 14, township 81 south, range 133 west, Seward meridian, Alaska, which will be charged against the Chaluka Corporation's final entitlement under section 12(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(b)).

(3) As a condition for the conveyance under subsection (d), the Aleut Corporation shall notify the Secretary of the Interior, within 180 days after the date of the enactment of this Act, that, by means of a legally binding resolution of its board of directors (accompanied by the written legal opinion of counsel as to the legal sufficiency of the board of directors' action), the Aleut Corporation—

(A) accepts the offer under subsection (b); and

(B) relinquishes all rights to lot 1, section 14, township 81 south, range 133 west, Seward meridian, Alaska.

(d) CONVEYANCE.—(1) Upon receipt from the Chaluka Corporation and from the Aleut Corporation of their acceptances and relinquishments under subsection (c), the Secretary of the Interior shall convey to the Chaluka Corporation the surface estate, and to the Aleut Corporation the subsurface estate, of—

(A) Phase I lands as soon as practicable; and

(B) each parcel of Phase II lands upon completion by the Department of the Air Force of environmental restoration of Phase II lands in accordance with applicable law.

Termination dates.

(2) Upon conveyance of a parcel of land under this section, the Secretary of the Interior shall terminate the corresponding portion of Public Land Order 2374 relating to that parcel. Upon conveyance of all Phase I and Phase II lands under this section, the Secretary of the Interior shall terminate all remaining portions of Public Land Order 2374 as it pertains to Umnak Island, Alaska.

(e) ENVIRONMENTAL RESTORATION.—Nothing in this section affects the requirements and responsibilities of the United States under section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)) or other applicable law. If a hazardous substance, as that term is defined in section 101 of such Act (42 U.S.C. 9601), is discovered on the Phase I lands subsequent to transfer, but the hazardous substance was present on the lands before transfer and the presence of the hazardous substance on the lands was not the result of actions by the Chaluka Corporation or the Aleut Corporation, the United States shall perform such response action as is required by such Act with regard to that hazardous substance.

(f) TREATMENT AS ANCSA LANDS.—The conveyances made under subsection (d) shall be considered to be conveyances under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), and are subject to the provisions of that Act, except paragraphs (3) and (4) of section 14(c) and section 17(b)(3) (43 U.S.C. 1613(c) and 1616(b)(3)).

(g) CONVEYANCE OF EXCLUDED TRACT B LOTS.—The Secretary of the Interior shall convey, without consideration, an estate in fee simple in—

(1) each of lots 1, 2, 5, 6, and 9 of Tract B of Amended United States Survey 4904 that is the subject of an Aleutian Housing Authority mutual help occupancy agreement, to the Aleutian Housing Authority; and

(2) the remainder of such lots to the occupants of such lots as of the date of the enactment of this Act.

(h) CONVEYANCE OF NIKOLSKI POWERHOUSE LAND.—The Secretary of the Interior shall convey, without consideration, an estate in fee simple in the Nikolski powerhouse land—

(1) to the Indian Reorganization Act Tribal Government for the Native Village of Nikolski, upon completion of the environmental restoration referred to in subsection (k)(2), if after the restoration the powerhouse continues to be located on the Nikolski powerhouse land; or

(2) the surface estate to the Chaluka Corporation and the subsurface estate to the Aleut Corporation, if after the restoration, the Nikolski powerhouse is no longer located on the Nikolski powerhouse land. –

(i) ACCESS.—(1) As a condition of the conveyance of land under subsection (d), the Chaluka Corporation shall permit the United States, and its agents, employees, and contractors, to have unrestricted access to the airfield at Nikolski in perpetuity for site investigation, restoration, remediation, and environmental monitoring of the former Nikolski Radio Relay Site and reasonable access to that airfield, and to other land conveyed under this section, for any activity associated with management of lands owned by the United States and for other governmental purposes without cost to the United States.

(2) The surface estate conveyed under subsection (d) shall be subject to the public's right of access over Hill and Beach Streets, located on Tract B of United States Survey 4904.

(j) SURVEY REQUIREMENTS.—The Bureau of Land Management is not required to conduct additional on-the-ground surveys as a result of conveyances under this section. The patent to the Chaluka Corporation may be based on protracted section lines and lotting where relinquishment under subsection (c)(2)(C) results in a change to the Chaluka Corporation's final boundaries. No additional monumentation is required to complete those final boundaries.

(k) AUTHORIZATION OF APPROPRIATIONS; TRANSFER OF FUNDS.—(1) There are authorized to be appropriated to the Department of the Interior and other appropriate agencies such sums as are necessary to carry out this section.

(2) Using the funds identified for Nikolski Power House Cleanup under Budget Activity 4 on page 116 of the Conference Report to accompany H.R. 2658 of the 108th Congress (House Report 108–283), the Secretary of the Air Force shall make a direct lump sum payment, in an amount equal to $1,700,000, to the fund for pollution cleanup managed by the Alaska Energy Authority for the purpose of assisting the Authority to perform environmental restoration of the Nikolski powerhouse land.

(l) TERMINATION.—This section (other than subsection (g)) shall cease to be effective if—

(1) either the Chaluka Corporation or the Aleut Corporation affirmatively rejects the offer under subsection (b); or

(2) the legally binding resolutions required by paragraphs (2) and (3) of subsection (c) are not submitted to the Secretary of the Interior before the end of the 180-day period specified in such paragraphs.

Subtitle E—Other Matters

SEC. 2871. AUTHORITY TO ACCEPT GUARANTEES WITH GIFTS IN DEVELOPMENT OF MARINE CORPS HERITAGE CENTER, MARINE CORPS BASE, QUANTICO, VIRGINIA.

Section 2884 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–440)) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

"(f) ACCEPTANCE OF GUARANTEES WITH GIFTS.—(1) The authority available to the Secretary under section 6975 of title 10, United States Code, to accept a qualified guarantee for purposes of projects at the Naval Academy shall be available to the Secretary for the project to develop the Marine Corps Heritage Center.

Expiration date.

"(2) The authority available to the Secretary under this subsection shall expire on December 31, 2006.".

SEC. 2872. REDESIGNATION OF YUMA TRAINING RANGE COMPLEX AS BOB STUMP TRAINING RANGE COMPLEX.

The military aviation training facility located in southwestern Arizona and southeastern California and known as the Yuma Training Range Complex shall be known and designated as the "Bob Stump Training Range Complex". Any reference to such training range complex in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Bob Stump Training Range Complex.

SEC. 2873. FEASIBILITY STUDY REGARDING CONVEYANCE OF LOUISIANA ARMY AMMUNITION PLANT, DOYLINE, LOUISIANA.

(a) STUDY REQUIRED.—The Secretary of the Army shall conduct a study of—

(1) the feasibility of using the conveyance of the Louisiana Army Ammunition Plant in Doyline, Louisiana, as a model for a public-private partnership for the utilization and development of the Plant and similar parcels of real property; and

(2) the costs and benefits to the United States of such a conveyance.

(b) ELEMENTS OF STUDY.—In conducting the study, the Secretary shall consider the following:

(1) The feasibility and advisability of entering into negotiations with the State of Louisiana or the Louisiana National Guard for the conveyance of the Louisiana Army Ammunition Plant.

(2) The means by which the conveyance of the Plant could—

(A) facilitate the execution by the Department of Defense of its national security mission; and

(B) facilitate the continued use of the Plant by the Louisiana National Guard and the execution by the Louisiana National Guard of its national security mission.

(3) The evidence presented by the State of Louisiana of the means by which the conveyance of the Plant could benefit current and potential private sector and governmental tenants of the Plant and facilitate the contribution of such tenants to economic development in Northwestern Louisiana.

(4) The amount and type of consideration that is appropriate for the conveyance of the Plant.

(5) The evidence presented by the State of Louisiana of the extent to which the conveyance of the Plant to a public-private partnership will contribute to economic growth in the State of Louisiana, and in Northwestern Louisiana in particular.

(6) The value of any mineral rights in the lands of the Plant.

(7) The costs and benefits to the United States of sharing revenues and rents paid by current and potential tenants of the Plant as a result of the Armament Retooling and Manufacturing Support Program.

Deadline.

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of the study and any other matters in light of the study that the Secretary considers appropriate.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. National Nuclear Security Administration.
Sec. 3102. Defense environmental management.
Sec. 3103. Other defense activities.
Sec. 3104. Defense nuclear waste disposal.
Sec. 3105. Energy supply.

Subtitle B—Program Authorizations, Restrictions, and Limitations

Sec. 3111. Termination of requirement for annual updates of long-term plan for nuclear weapons stockpile life extension program.
Sec. 3112. Department of Energy project review groups not subject to Federal Advisory Committee Act by reason of inclusion of employees of Department of Energy management and operating contractors.
Sec. 3113. Readiness posture for resumption by the United States of underground nuclear weapons tests.
Sec. 3114. Technical base and facilities maintenance and recapitalization activities.
Sec. 3115. Continuation of processing, treatment, and disposition of legacy nuclear materials.
Sec. 3116. Repeal of prohibition on research and development of low-yield nuclear weapons.
Sec. 3117. Requirement for specific authorization of Congress for commencement of engineering development phase or subsequent phase of Robust Nuclear Earth Penetrator.

Subtitle C—Proliferation Matters

Sec. 3121. Semiannual financial reports on defense nuclear nonproliferation programs.
Sec. 3122. Report on reduction of excessive unobligated or unexpended balances for defense nuclear nonproliferation activities.
Sec. 3123. Study and report relating to weapons-grade uranium and plutonium of the independent states of the former Soviet Union.
Sec. 3124. Authority to use international nuclear materials protection and cooperation program funds outside the former Soviet Union.
Sec. 3125. Requirement for on-site managers.

Subtitle D—Other Matters

Sec. 3131. Performance of personnel security investigations of certain Department of Energy and Nuclear Regulatory Commission employees in sensitive programs.
Sec. 3132. Policy of Department of Energy regarding future defense environmental management matters.
Sec. 3133. Inclusion in 2005 stockpile stewardship plan of certain information relating to stockpile stewardship criteria.
Sec. 3134. Progress reports on Energy Employees Occupational Illness Compensation Program.
Sec. 3135. Report on integration activities of Department of Defense and Department of Energy with respect to Robust Nuclear Earth Penetrator.

Subtitle E—Consolidation of National Security Provisions

Sec. 3141. Transfer and consolidation of recurring and general provisions on Department of Energy national security programs.

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $8,877,347,000, to be allocated as follows:

(1) For weapons activities, $6,434,772,000.

(2) For defense nuclear nonproliferation activities, $1,332,195,000.

(3) For naval reactors, $768,400,000.

(4) For the Office of the Administrator for Nuclear Security, $341,980,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out, for weapons activities, the following new plant projects:

Project 04–D–101, test capabilities revitalization, Sandia National Laboratories, Albuquerque, New Mexico, $36,450,000.

Project 04–D–102, exterior communications infrastructure modernization, Sandia National Laboratories, Albuquerque, New Mexico, $20,000,000.

Project 04–D–103, project engineering and design, various locations, $2,000,000.

Project 04–D–125, chemistry and metallurgy facility replacement project, Los Alamos National Laboratory, Los Alamos, New Mexico, $20,500,000.

Project 04–D–126, Building 12–44 production cells upgrade, Pantex plant, Amarillo, Texas, $8,780,000.

Project 04–D–127, cleaning and loading modifications, Savannah River Site, Aiken, South Carolina, $2,750,000.

Project 04–D–128, TA–18 Mission relocation project, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,820,000.

Project 04–D–203, facilities and infrastructure recapitalization program, project engineering and design, various locations, $3,719,000.

Project 03–D–102, SM–43 replacement, Los Alamos National Laboratory, Los Alamos, New Mexico, $38,000,000.

SEC. 3102. DEFENSE ENVIRONMENTAL MANAGEMENT.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for environmental management activities in carrying out programs necessary for national security in the amount of $6,809,814,000, to be allocated as follows:

(1) For defense site acceleration completion, $5,814,635,000.

(2) For defense environmental services, $995,179,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out, for defense site acceleration completion, the following new plant projects:

Project 04–D–408, glass waste storage building #2, Savannah River Site, Aiken, South Carolina, $20,259,000.

Project 04–D–414, project engineering and design, various locations, $23,500,000.

Project 04–D–423, 3013 container surveillance capability in 235–F, Savannah River Site, Aiken, South Carolina, $1,134,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for other defense activities in carrying out programs necessary for national security in the amount of $489,059,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $392,500,000.

SEC. 3105. ENERGY SUPPLY.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for energy supply activities in carrying out programs necessary for national security in the amount of $110,473,000.

Subtitle B—Program Authorizations, Restrictions, and Limitations

SEC. 3111. TERMINATION OF REQUIREMENT FOR ANNUAL UPDATES OF LONG-TERM PLAN FOR NUCLEAR WEAPONS STOCKPILE LIFE EXTENSION PROGRAM.

50 USC 2524.

Effective date.

Effective December 31, 2004, section 3133 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 926; 42 U.S.C. 2121 note), as transferred and redesignated as section 4204 of the Atomic Energy Defense Act by section 3141(e)(5) of this Act, is further amended by striking subsections (c) through (f).

Post, p. 1758.

SEC. 3112. DEPARTMENT OF ENERGY PROJECT REVIEW GROUPS NOT SUBJECT TO FEDERAL ADVISORY COMMITTEE ACT BY REASON OF INCLUSION OF EMPLOYEES OF DEPARTMENT OF ENERGY MANAGEMENT AND OPERATING CONTRACTORS.

42 USC 7234 note.

An officer or employee of a management and operating contractor of the Department of Energy, when serving as a member of a group reviewing or advising on matters related to any one or more management and operating contracts of the Department, shall be treated as an officer or employee of the Department for purposes of determining whether the group is an advisory committee within the meaning of section 3 of the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. 3113. READINESS POSTURE FOR RESUMPTION BY THE UNITED STATES OF UNDERGROUND NUCLEAR WEAPONS TESTS.

50 USC 2528a.

(a) Readiness Posture Required.—Commencing not later than October 1, 2006, the Secretary of Energy shall achieve, and thereafter maintain, a readiness posture of not more than 18 months for resumption by the United States of underground tests of nuclear weapons.

(b) DESCRIPTION OF REQUIREMENT.—For purposes of this section, a readiness posture of not more than 18 months for resumption by the United States of underground tests of nuclear weapons is achieved when the Department of Energy has the capability to resume such tests, if directed by the President to resume such tests, not later than 18 months after the date on which the President so directs.

50 USC 2453 note.

SEC. 3114. TECHNICAL BASE AND FACILITIES MAINTENANCE AND RECAPITALIZATION ACTIVITIES.

(a) DEADLINE FOR INCLUSION OF PROJECTS IN FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.—(1) The Administrator for Nuclear Security shall complete the selection of projects for inclusion in the Facilities and Infrastructure Recapitalization Program of the National Nuclear Security Administration not later than December 31, 2004.

(2) No project may be included in the Facilities and Infrastructure Recapitalization Program after December 31, 2004, unless such project has been selected for inclusion in that program as of that date.

(b) TERMINATION OF FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.—The Administrator shall terminate the Facilities and Infrastructure Recapitalization Program not later than September 30, 2011.

Reports.

(c) READINESS IN TECHNICAL BASE AND FACILITIES PROGRAM.—(1) Not later than September 30, 2004, the Administrator shall submit to the congressional defense committees a report setting forth guidelines on the conduct of the Readiness in Technical Base and Facilities program of the National Nuclear Security Administration.

(2) Such guidelines shall include the following:

(A) Criteria for the inclusion of projects in the program, and for establishing priorities among projects included in the program.

(B) Mechanisms for the management of facilities under the program, including maintenance activities referred to in subparagraph (C).

(C) A description of the scope of maintenance activities under the program, including recurring maintenance, construction of facilities, recapitalization of facilities, and decontamination and decommissioning of facilities.

(3) Such guidelines shall ensure that the maintenance activities referred to in paragraph (2)(C) are carried out in a timely and efficient manner designed to avoid maintenance backlogs.

(d) OPERATIONS OF FACILITIES PROGRAM.—(1) The Administrator shall continue the Operations of Facilities program of the National Nuclear Security Administration as a subprogram within the Readiness in Technical Base and Facilities program.

(2) The Deputy Administrator for Defense Programs shall designate a single manager to be responsible for overseeing the operations of the Operations of Facilities subprogram within the Readiness in Technical Base and Facilities program.

Reports.

(3) For fiscal year 2005, and for each fiscal year thereafter, the Secretary of Energy shall submit to the congressional defense

committees, together with the budget justification materials submitted to Congress in support of the National Nuclear Security Administration budget for that fiscal year (as submitted with the budget of the President under section 1105(a) of title 31, United States Code), a separate statement of the amounts requested for such fiscal year for each element of the Operations of Facilities subprogram, as follows:

(A) Maintenance.
(B) Facilities management and support.
(C) Utilities.
(D) Environment, safety, and health.
(E) Each other element of the subprogram.

SEC. 3115. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSITION OF LEGACY NUCLEAR MATERIALS.

(a) CONTINUATION OF H–CANYON FACILITY.—Subsection (a) of ection 3137 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–98; 114 Stat. 1654A–460) is amended— 50 USC 2633.

(1) by striking "F–canyon and H–canyon facilities" and inserting "H–canyon facility"; and

(2) by striking "such facilities" and inserting "such facility".

(b) MODIFICATION OF LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F–CANYON FACILITY.—Subsection (b) of such secion is amended— 50 USC 2638.

(1) by striking "and the Defense Nuclear Facilities Safety Board" and all that follows through "House of Representatives" and inserting "submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives, and the Defense Nuclear Facilities Safety Board,"; and

(2) by striking "the following:" and all that follows and inserting "a report setting forth—

"(1) an assessment whether or not all materials present in the F–canyon facility as of the date of the report that required stabilization have been safely stabilized as of that date;

"(2) an assessment whether or not the requirements applicable to the F–canyon facility to meet the future needs of the United States for fissile materials disposition can be met through full use of the H–canyon facility at the Savannah River Site; and

"(3) if it appears that one or more of the requirements described in paragraph (2) cannot be met through full use of the H–canyon facility—

"(A) an identification by the Secretary of each such requirement that cannot be met through full use of the H–canyon facility; and

"(B) for each requirement so identified, the reasons why such requirement cannot be met through full use of the H–canyon facility and a description of the alternative capability for fissile materials disposition that is needed to meet such requirement.".

(c) REPEAL OF SUPERSEDED PLAN REQUIREMENT.—Subsection (c) of such section is repealed.

SEC. 3116. REPEAL OF PROHIBITION ON RESEARCH AND DEVELOPMENT OF LOW-YIELD NUCLEAR WEAPONS.

(a) REPEAL.—Section 3136 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note) is repealed.

42 USC 2121 note.

(b) CONSTRUCTION.—Nothing in the repeal made by subsection (a) shall be construed as authorizing the testing, acquisition, or deployment of a low-yield nuclear weapon.

50 USC 2529 note.

(c) LIMITATION.—The Secretary of Energy may not commence the engineering development phase, or any subsequent phase, of a low-yield nuclear weapon unless specifically authorized by Congress.

(d) REPORT.—(1) Not later than March 1, 2004, the Secretary of State, the Secretary of Defense and the Secretary of Energy shall jointly submit to Congress a report assessing whether or not the repeal of section 3136 of the National Defense Authorization Act for Fiscal Year 1994 will affect the ability of the United States to achieve its nonproliferation objectives and whether or not any changes in programs and activities would be required to achieve those objectives.

(2) The report shall be submitted in unclassified form, but may include a classified annex if necessary.

SEC. 3117. REQUIREMENT FOR SPECIFIC AUTHORIZATION OF CONGRESS FOR COMMENCEMENT OF ENGINEERING DEVELOPMENT PHASE OR SUBSEQUENT PHASE OF ROBUST NUCLEAR EARTH PENETRATOR.

The Secretary of Energy may not commence the engineering development phase (phase 6.3) of the nuclear weapons development process, or any subsequent phase, of a Robust Nuclear Earth Penetrator weapon unless specifically authorized by Congress.

Subtitle C—Proliferation Matters

SEC. 3121. SEMIANNUAL FINANCIAL REPORTS ON DEFENSE NUCLEAR NONPROLIFERATION PROGRAMS.

(a) IN GENERAL.—Subtitle D of the National Nuclear Security Administration Act is amended by inserting after section 3253 (50 U.S.C. 2453) the following new section:

50 USC 2454.

“SEC. 3254. SEMIANNUAL FINANCIAL REPORTS ON DEFENSE NUCLEAR NONPROLIFERATION PROGRAMS.

“(a) SEMIANNUAL REPORTS REQUIRED.—The Administrator shall submit to the Committees on Armed Services of the Senate and the House of Representatives a semiannual report on the amounts available for the defense nuclear nonproliferation programs of the Administration. Each such report shall cover a half of a fiscal year (in this section referred to as a ‘fiscal half’) and shall be submitted not later than 30 days after the end of that fiscal half.

Deadline.

“(b) CONTENTS.—Each report for a fiscal half shall, for each such defense nuclear nonproliferation program for which amounts are available for the fiscal year that includes that fiscal half, set forth the following:

“(1) The aggregate amount available for such program as of the beginning of such fiscal half and, within such amount, the uncommitted balances, the unobligated balances, and the unexpended balances.

"(2) The aggregate amount newly made available for such program during such fiscal half and, within such amount, the amount made available by appropriations, by transfers, by reprogrammings, and by other means.

"(3) The aggregate amount available for such program as of the end of such fiscal half and, within such amount, the uncommitted balances, the unobligated balances, and the unexpended balances.".

50 USC 2454 note.

(b) FIRST REPORT.—The first report required to be submitted by section 3254 of the National Nuclear Security Administration Act (as added by subsection (a)) shall be the report covering the first half of fiscal year 2004.

SEC. 3122. REPORT ON REDUCTION OF EXCESSIVE UNOBLIGATED OR UNEXPENDED BALANCES FOR DEFENSE NUCLEAR NONPROLIFERATION ACTIVITIES.

(a) CONTINGENT REQUIREMENT FOR REPORT.—If as of September 30, 2004, the aggregate amount unobligated, or obligated but not expended, for defense nuclear nonproliferation activities from amounts appropriated for such activities in fiscal year 2004 exceeds an amount equal to 20 percent of the aggregate amount appropriated for such activities in fiscal year 2004, the Administrator for Nuclear Security shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing an aggressive plan to provide for the timely expenditure of amounts remaining unobligated, or obligated but not expended.

(b) SUBMITTAL DATE.—If required to be submitted under subsection (a), the submittal date for the report under that subsection shall be November 30, 2004.

22 USC 5952 note.

SEC. 3123. STUDY AND REPORT RELATING TO WEAPONS-GRADE URANIUM AND PLUTONIUM OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

(a) STUDY REQUIRED.—The Secretary of Energy shall carry out a study on the feasibility, costs, and benefits of—

(1) purchasing, from the independent states of the former Soviet Union, weapons-grade uranium and plutonium excess to the defense needs of those states; and

(2) safeguarding the uranium and plutonium so purchased until rendered unusable for nuclear weapons.

Deadline.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the results of the study required by subsection (a).

SEC. 3124. AUTHORITY TO USE INTERNATIONAL NUCLEAR MATERIALS PROTECTION AND COOPERATION PROGRAM FUNDS OUTSIDE THE FORMER SOVIET UNION.

(a) AUTHORITY.—Subject to the provisions of this section, the President may obligate and expend international nuclear materials protection and cooperation program funds for a fiscal year, and any such funds for a fiscal year before such fiscal year that remain available for obligation, for a defense nuclear nonproliferation project or activity outside the states of the former Soviet Union if the President determines each of the following:

(1) That such project or activity will—

(A)(i) assist the United States in the resolution of a critical emerging proliferation threat; or

(ii) permit the United States to take advantage of opportunities to achieve long-standing nonproliferation goals; and

(B) be completed in a short period of time.

(2) That the Department of Energy is the entity of the Federal Government that is most capable of carrying out such project or activity.

(b) SCOPE OF AUTHORITY.—The authority in subsection (a) to obligate and expend funds for a project or activity includes authority to provide equipment, goods, and services for such project or activity utilizing such funds, but does not include authority to provide cash directly to such project or activity.

(c) LIMITATION ON TOTAL AMOUNT OF OBLIGATION.—The amount that may be obligated in a fiscal year under the authority in subsection (a) may not exceed $50,000,000.

(d) LIMITATION ON AVAILABILITY OF FUNDS.—(1) The President may not obligate funds for a project or activity under the authority in subsection (a) until the President makes each determination specified in that subsection with respect to such project or activity.

Notification.

(2) Not later than 10 days after obligating funds under the authority in subsection (a) for a project or activity, the President shall notify Congress in writing of the determinations made under paragraph (1) with respect to such project or activity, together with—

(A) a justification for such determinations; and

(B) a description of the scope and duration of such project or activity.

(e) ADDITIONAL LIMITATIONS AND REQUIREMENTS.—Except as otherwise provided in subsections (a) and (b), the exercise of the authority in subsection (a) shall be subject to any requirement or limitation under another provision of law as follows:

(1) Any requirement for prior notice or other reports to Congress on the use of international nuclear materials protection and cooperation program funds or on international nuclear materials protection and cooperation program projects or activities.

(2) Any limitation on the obligation or expenditure of international nuclear materials protection and cooperation program funds.

(3) Any limitation on international nuclear materials protection and cooperation program projects or activities.

(f) FUNDS.—As used in this section, the term “international nuclear materials protection and cooperation program funds” means the funds appropriated pursuant to the authorization of appropriations in section 3101(a)(2) for such program.

22 USC 5961a.

SEC. 3125. REQUIREMENT FOR ON-SITE MANAGERS.

(a) ON-SITE MANAGER REQUIREMENT.—Before obligating any defense nuclear nonproliferation funds for a project described in subsection (b), the Secretary of Energy shall appoint one on-site manager for that project. The manager shall be appointed from among employees of the Federal Government.

(b) PROJECTS COVERED.—Subsection (a) applies to a project—

(1) to be located in a state of the former Soviet Union;

(2) which involves dismantlement, destruction, or storage facilities, or construction of a facility; and

(3) with respect to which the total contribution by the Department of Energy is expected to exceed $50,000,000.

(c) Duties of On-Site Manager.—The on-site manager appointed under subsection (a) shall—

(1) develop, in cooperation with representatives from governments of countries participating in the project, a list of those steps or activities critical to achieving the project's disarmament or nonproliferation goals;

(2) establish a schedule for completing those steps or activities;

(3) meet with all participants to seek assurances that those steps or activities are being completed on schedule; and

(4) suspend United States participation in a project when a non-United States participant fails to complete a scheduled step or activity on time, unless directed by the Secretary of Energy to resume United States participation.

(d) Authority to Manage More Than One Project.—(1) Subject to paragraph (2), an employee of the Federal Government may serve as on-site manager for more than one project, including projects at different locations.

(2) If such an employee serves as on-site manager for more than one project in a fiscal year, the total cost of the projects for that fiscal year may not exceed $150,000,000.

(e) Steps or Activities.—Steps or activities referred to in subsection (c)(1) are those activities that, if not completed, will prevent a project from achieving its disarmament or nonproliferation goals, including, at a minimum, the following:

(1) Identification and acquisition of permits (as defined in subsection (g)).

(2) Verification that the items, substances, or capabilities to be dismantled, secured, or otherwise modified are available for dismantlement, securing, or modification.

(3) Timely provision of financial, personnel, management, transportation, and other resources.

(f) Notification to Congress.—In any case in which the Secretary of Energy directs an on-site manager to resume United States participation in a project under subsection (c)(4), the Secretary shall concurrently notify Congress of such direction.

(g) Permit Defined.—In this section, the term "permit" means any local or national permit for development, general construction, environmental, land use, or other purposes that is required in the state of the former Soviet Union in which the project is being or is proposed to be carried out.

(h) Effective Date.—This section shall take effect six months after the date of the enactment of this Act.

Subtitle D—Other Matters

SEC. 3131. PERFORMANCE OF PERSONNEL SECURITY INVESTIGATIONS OF CERTAIN DEPARTMENT OF ENERGY AND NUCLEAR REGULATORY COMMISSION EMPLOYEES IN SENSITIVE PROGRAMS.

(a) Performance by FBI at Direction of DOE or NRC.—Subsection f. of section 145 of the Atomic Energy Act of 1954 (42 U.S.C. 2165) is amended to read as follows:

"f. (1) Notwithstanding the provisions of subsections a., b., and c. of this section, but subject to subsection e. of this section, a majority of the members of the Commission may direct that an investigation required by such provisions on an individual described in paragraph (2) be carried out by the Federal Bureau of Investigation rather than by the Civil Service Commission.

"(2) An individual described in this paragraph is an individual who is employed—

"(A) in a program certified by a majority of the members of the Commission to be of a high degree of importance or sensitivity; or

"(B) in any other specific position certified by a majority of the members of the Commission to be of a high degree of importance or sensitivity.".

42 USC 2165.

(b) REPEAL OF REQUIREMENT FOR PERFORMANCE BY FBI FOR PERSONNEL SECURITY AND ASSURANCE PROGRAMS.—Subsection e.(2) of such section is amended by striking "or a Personnel Security and Assurance Program".

50 USC 2589.

SEC. 3132. POLICY OF DEPARTMENT OF ENERGY REGARDING FUTURE DEFENSE ENVIRONMENTAL MANAGEMENT MATTERS.

Deadline.

(a) POLICY REQUIRED.—(1) Commencing not later than October 1, 2005, the Secretary of Energy shall have in effect a policy for carrying out future defense environmental management matters of the Department of Energy. The policy shall specify each officer within the Department with responsibilities for carrying out that policy and, for each such officer, the nature and extent of those responsibilities.

(2) In paragraph (1), the term "future defense environmental management matter" means any environmental cleanup project, decontamination and decommissioning project, waste management project, or related activity that arises out of the activities of the Department in carrying out programs necessary for national security and is to be commenced after the date of the enactment of this Act. However, such term does not include any such project or activity the responsibility for which has been assigned, as of the date of the enactment of this Act, to the Environmental Management program of the Department.

(b) REFLECTION IN BUDGET.—For fiscal year 2006 and each fiscal year thereafter, the Secretary shall ensure that the budget justification materials submitted to Congress in support of the Department of Energy budget for such fiscal year (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) reflect the policy required by subsection (a).

(c) CONSULTATION.—The Secretary shall carry out this section in consultation with the Administrator for Nuclear Security and the Under Secretary of Energy for Energy, Science, and Environment.

(d) REPORT.—The Secretary shall include with the budget justification materials submitted to Congress in support of the Department of Energy budget for fiscal year 2005 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) a report on the policy that the Secretary plans to have in effect under subsection (a) as of October 1, 2005. The report shall specify the officers and responsibilities referred to in subsection (a).

SEC. 3133. INCLUSION IN 2005 STOCKPILE STEWARDSHIP PLAN OF CERTAIN INFORMATION RELATING TO STOCKPILE STEWARDSHIP CRITERIA.

50 USC 2523 note.

(a) INCLUSION IN 2005 STOCKPILE STEWARDSHIP PLAN.—In submitting to Congress the updated version of the 2005 stockpile stewardship plan, the Secretary of Energy shall include the matters specified in subsection (b).

(b) MATTERS INCLUDED.—The matters referred to in subsection (a) are the following:

(1) An update of any information or criteria described in the report on stockpile stewardship criteria submitted under section 4202 of the Atomic Energy Defense Act (as transferred and redesignated by section 3161(e)(3) of this Act).

(2) A description of any additional information identified, or criteria established, on matters covered by such section 4202 during the period beginning on the date of the submittal of the report under such section 4202 and ending on the date of the submittal of the updated version of the plan under subsection (a) of this section.

(3) For each science-based tool developed by the Department of Energy during such period—

(A) a description of the relationship of such science-based tool to the collection of information needed to determine that the nuclear weapons stockpile is safe and reliable; and

(B) a description of the criteria for judging whether or not such science-based tool provides for the collection of such information.

(c) 2005 STOCKPILE STEWARDSHIP PLAN DEFINED.—In this section, the term “2005 stockpile stewardship plan” means the updated version of the plan for maintaining the nuclear weapons stockpile developed under section 4203 of the Atomic Energy Defense Act (as transferred and redesignated by section 3161(e)(4) of this Act) that is required to be submitted to Congress not later than March 15, 2005.

SEC. 3134. PROGRESS REPORTS ON ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM.

(a) REPORT ON ACCESS TO INFORMATION FOR PERFORMANCE OF RADIATION DOSE RECONSTRUCTIONS.—(1) Not later than 90 days after the date of the enactment of this Act, the National Institute for Occupational Safety and Health shall submit to Congress a report on the ability of the Institute to obtain, in a timely, accurate, and complete manner, information necessary for the purpose of carrying out radiation dose reconstructions under the Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7384 et seq.), including information requested from any element of the Department of Energy.

Deadline.

(2) The report shall include the following:

(A) An identification of each matter adversely affecting the ability of the Institute to obtain information described in paragraph (1) in a timely, accurate, and complete manner.

(B) For each facility with respect to which the Institute is carrying out one or more dose reconstructions described in paragraph (1)—

(i) a specification of the total number of claims requiring dose reconstruction;

(ii) a specification of the number of claims for which dose reconstruction has been adversely affected by any matter identified under paragraph (1); and

(iii) a specification of the number of claims requiring dose reconstruction for which, because of any matter identified under paragraph (1), dose reconstruction has not been completed within 150 days after the date on which the Secretary of Labor submitted the claim to the Secretary of Health and Human Services.

Deadline.

(b) REPORT ON DENIAL OF CLAIMS.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Labor shall submit to Congress a report on the denial of claims under the Energy Employees Occupational Illness Compensation Program Act of 2000 as of the date of such report.

(2) The report shall include for each facility with respect to which the Secretary has received one or more claims under that Act the following:

(A) The number of claims received with respect to such facility that have been denied, including the percentage of the total number of claims received with respect to such facility that have been denied.

(B) The reasons for the denial of such claims, including the number of claims denied for each such reason.

SEC. 3135. REPORT ON INTEGRATION ACTIVITIES OF DEPARTMENT OF DEFENSE AND DEPARTMENT OF ENERGY WITH RESPECT TO ROBUST NUCLEAR EARTH PENETRATOR.

Section 1032 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2643; 10 U.S.C. 2358 note) is amended by adding at the end the following new subsection:

"(e) INTEGRATION ACTIVITIES IN FISCAL YEAR 2003 WITH RESPECT TO RNEP.—The report under subsection (a) that is due on April 1, 2004, shall include, in addition to the elements specified in subsection (b), a description of the integration and interoperability of the research and development, procurement, and other activities undertaken during fiscal year 2003 by the Department of Defense and the Department of Energy with respect to the Robust Nuclear Earth Penetrator.".

Subtitle E—Consolidation of National Security Provisions

50 USC 2501 note.

SEC. 3141. TRANSFER AND CONSOLIDATION OF RECURRING AND GENERAL PROVISIONS ON DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to assemble together, without substantive amendment but with technical and conforming amendments of a non-substantive nature, recurring and general provisions of law on Department of Energy national security programs that remain in force in order to consolidate and organize such provisions of law into a single Act intended to comprise general provisions of law on such programs.

(2) CONSTRUCTION OF TRANSFERS.—The transfer of a provision of law by this section shall not be construed as amending, altering, or otherwise modifying the substantive effect of such provision.

(3) TREATMENT OF SATISFIED REQUIREMENTS.—Any requirement in a provision of law transferred under this section (including a requirement that an amendment to law be executed) that has been fully satisfied in accordance with the terms of such provision of law as of the date of transfer under this section shall be treated as so fully satisfied, and shall not be treated as being revived solely by reason of transfer under this section.

(4) CLASSIFICATION.—The provisions of the Atomic Energy Defense Act, as amended by this section, shall be classified to the United States Code as a new chapter of title 50, United States Code.

(b) DIVISION HEADING.—The Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) is amended by adding at the end the following new division heading:

“DIVISION D—ATOMIC ENERGY DEFENSE PROVISIONS”.

(c) SHORT TITLE; TABLE OF CONTENTS; DEFINITION.— 42 USC 7101 note, 50 USC 2501 note.

(1) SHORT TITLE; TABLE OF CONTENTS.—Section 3601 of the Atomic Energy Defense Act (title XXXVI of Public Law 107–314; 116 Stat. 2756), is—

(A) transferred to the end of the Bob Stump National Defense Authorization Act for Fiscal Year 2003;

(B) redesignated as section 4001;

(C) inserted after the heading for division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by subsection (b); and

(D) amended—

(i) by amending the heading to read as follows:

“SEC. 4001. SHORT TITLE; TABLE OF CONTENTS.”;

(ii) by striking “This title” and inserting “(a) SHORT TITLE.—This division”; and 50 USC 2501 note.

(iii) by adding at the end the following:

“(b) TABLE OF CONTENTS.—The table of contents for this division is as follows:

“DIVISION D—ATOMIC ENERGY DEFENSE PROVISIONS

“Sec. 4001. Short title; table of contents.
“Sec. 4002. Definition.

“TITLE XLI—ORGANIZATIONAL MATTERS

“Sec. 4101. Naval Nuclear Propulsion Program.
“Sec. 4102. Management structure for nuclear weapons production facilities and nuclear weapons laboratories.
“Sec. 4103. Restriction on licensing requirement for certain defense activities and facilities.

“TITLE XLII—NUCLEAR WEAPONS STOCKPILE MATTERS

“Subtitle A—Stockpile Stewardship and Weapons Production

“Sec. 4201. Stockpile stewardship program.

“Sec. 4202. Report on stockpile stewardship criteria.
“Sec. 4203. Plan for stewardship, management, and certification of warheads in the nuclear weapons stockpile.
“Sec. 4204. Nuclear weapons stockpile life extension program.
“Sec. 4205. Annual assessments and reports to the President and Congress regarding the condition of the United States nuclear weapons stockpile.
“Sec. 4206. Form of certifications regarding the safety or reliability of the nuclear weapons stockpile.
“Sec. 4207. Nuclear test ban readiness program.
“Sec. 4208. Study on nuclear test readiness postures.
“Sec. 4209. Requirements for specific request for new or modified nuclear weapons.
“Sec. 4210. Limitation on underground nuclear weapons tests.
“Sec. 4211. Testing of nuclear weapons.
“Sec. 4212. Manufacturing infrastructure for refabrication and certification of nuclear weapons stockpile.
“Sec. 4213. Reports on critical difficulties at nuclear weapons laboratories and nuclear weapons production plants.

“Subtitle B—Tritium

“Sec. 4231. Tritium production program.
“Sec. 4232. Tritium recycling.
“Sec. 4233. Tritium production.
“Sec. 4234. Modernization and consolidation of tritium recycling facilities.
“Sec. 4235. Procedures for meeting tritium production requirements.

“TITLE XLIII—PROLIFERATION MATTERS

“Sec. 4301. International cooperative stockpile stewardship.
“Sec. 4302. Nonproliferation initiatives and activities.
“Sec. 4303. Annual report on status of Nuclear Materials Protection, Control, and Accounting Program.
“Sec. 4304. Nuclear Cities Initiative.
“Sec. 4305. Authority to conduct program relating to fissile materials.
“Sec. 4306. Disposition of weapons-usable plutonium at Savannah River Site.
“Sec. 4306A. Disposition of surplus defense plutonium at Savannah River Site, Aiken, South Carolina.

“TITLE XLIV—ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT MATTERS

“Subtitle A—Environmental Restoration and Waste Management

“Sec. 4401. Defense Environmental Restoration and Waste Management Account.
“Sec. 4402. Requirement to develop future use plans for environmental management program.
“Sec. 4403. Integrated fissile materials management plan.
“Sec. 4404. Baseline environmental management reports.
“Sec. 4405. Accelerated schedule for environmental restoration and waste management activities.
“Sec. 4406. Defense waste cleanup technology program.
“Sec. 4407. Report on environmental restoration expenditures.
“Sec. 4408. Public participation in planning for environmental restoration and waste management at defense nuclear facilities.

“Subtitle B—Closure of Facilities

“Sec. 4421. Projects to accelerate closure activities at defense nuclear facilities.
“Sec. 4422. Reports in connection with permanent closures of Department of Energy defense nuclear facilities.

“Subtitle C—Privatization

“Sec. 4431. Defense environmental management privatization projects.

“Subtitle D—Hanford Reservation, Washington

“Sec. 4441. Safety measures for waste tanks at Hanford nuclear reservation.
“Sec. 4442. Hanford waste tank cleanup program reforms.
“Sec. 4443. River Protection Project.
“Sec. 4444. Funding for termination costs of River Protection Project, Richland, Washington.

“Subtitle E—Savannah River Site, South Carolina

“Sec. 4451. Accelerated schedule for isolating high-level nuclear waste at the defense waste processing facility, Savannah River Site.

"Sec. 4452. Multi-year plan for clean-up.
"Sec. 4453. Continuation of processing, treatment, and disposal of legacy nuclear materials.
"Sec. 4453A. Continuation of processing, treatment, and disposition of legacy nuclear materials.
"Sec. 4453B. Continuation of processing, treatment, and disposition of legacy nuclear materials.
"Sec. 4453C. Continuation of processing, treatment, and disposal of legacy nuclear materials.
"Sec. 4453D. Continuation of processing, treatment, and disposal of legacy nuclear materials.
"Sec. 4454. Limitation on use of funds for decommissioning F–canyon facility.

"TITLE XLV—SAFEGUARDS AND SECURITY MATTERS

"Subtitle A—Safeguards and Security

"Sec. 4501. Prohibition on international inspections of Department of Energy facilities unless protection of Restricted Data is certified.
"Sec. 4502. Restrictions on access to national laboratories by foreign visitors from sensitive countries.
"Sec. 4503. Background investigations of certain personnel at Department of Energy facilities.
"Sec. 4504. Department of Energy counterintelligence polygraph program.
"Sec. 4504A. Counterintelligence polygraph program.
"Sec. 4505. Notice to congressional committees of certain security and counterintelligence failures within nuclear energy defense programs.
"Sec. 4506. Submittal of annual report on status of security functions at nuclear weapons facilities.
"Sec. 4507. Report on counterintelligence and security practices at national laboratories.
"Sec. 4508. Report on security vulnerabilities of national laboratory computers.

"Subtitle B—Classified Information

"Sec. 4521. Review of certain documents before declassification and release.
"Sec. 4522. Protection against inadvertent release of Restricted Data and Formerly Restricted Data.
"Sec. 4523. Supplement to plan for declassification of Restricted Data and Formerly Restricted Data.
"Sec. 4524. Protection of classified information during laboratory-to-laboratory exchanges.
"Sec. 4525. Identification in budget materials of amounts for declassification activities and limitation on expenditures for such activities.

"Subtitle C—Emergency Response

"Sec. 4541. Responsibility for Defense Programs Emergency Response Program.

"TITLE XLVI—PERSONNEL MATTERS

"Subtitle A—Personnel Management

"Sec. 4601. Authority for appointment of certain scientific, engineering, and technical personnel.
"Sec. 4602. Whistleblower protection program.
"Sec. 4603. Employee incentives for employees at closure project facilities.
"Sec. 4604. Department of Energy defense nuclear facilities workforce restructuring plan.
"Sec. 4605. Authority to provide certificate of commendation to Department of Energy and contractor employees for exemplary service in stockpile stewardship and security.

"Subtitle B—Education and Training

"Sec. 4621. Executive management training in the Department of Energy.
"Sec. 4622. Stockpile stewardship recruitment and training program.
"Sec. 4623. Fellowship program for development of skills critical to the Department of Energy nuclear weapons complex.

"Subtitle C—Worker Safety

"Sec. 4641. Worker protection at nuclear weapons facilities.
"Sec. 4642. Safety oversight and enforcement at defense nuclear facilities.
"Sec. 4643. Program to monitor Department of Energy workers exposed to hazardous and radioactive substances.
"Sec. 4644. Programs for persons who may have been exposed to radiation released from Hanford nuclear reservation.

“TITLE XLVII—BUDGET AND FINANCIAL MANAGEMENT MATTERS

“Subtitle A—Recurring National Security Authorization Provisions

“Sec. 4701. Definitions.
“Sec. 4702. Reprogramming.
“Sec. 4703. Minor construction projects.
“Sec. 4704. Limits on construction projects.
“Sec. 4705. Fund transfer authority.
“Sec. 4706. Conceptual and construction design.
“Sec. 4707. Authority for emergency planning, design, and construction activities.
“Sec. 4708. Scope of authority to carry out plant projects.
“Sec. 4709. Availability of funds.
“Sec. 4710. Transfer of defense environmental management funds.
“Sec. 4711. Transfer of weapons activities funds.
“Sec. 4712. Funds available for all national security programs of the Department of Energy.

“Subtitle B—Penalties

“Sec. 4721. Restriction on use of funds to pay penalties under environmental laws.
“Sec. 4722. Restriction on use of funds to pay penalties under Clean Air Act.

“Subtitle C—Other Matters

“Sec. 4731. Single request for authorization of appropriations for common defense and security programs.

“TITLE XLVIII—ADMINISTRATIVE MATTERS

“Subtitle A—Contracts

“Sec. 4801. Costs not allowed under covered contracts.
“Sec. 4802. Prohibition and report on bonuses to contractors operating defense nuclear facilities.
“Sec. 4803. Contractor liability for injury or loss of property arising out of atomic weapons testing programs.

“Subtitle B—Research and Development

“Sec. 4811. Laboratory–directed research and development programs.
“Sec. 4812. Limitations on use of funds for laboratory directed research and development purposes.
“Sec. 4812A. Limitation on use of funds for certain research and development purposes.
“Sec. 4813. Critical technology partnerships.
“Sec. 4814. University-based research collaboration program.

“Subtitle C—Facilities Management

“Sec. 4831. Transfers of real property at certain Department of Energy facilities.
“Sec. 4832. Engineering and manufacturing research, development, and demonstration by plant managers of certain nuclear weapons production plants.
“Sec. 4833. Pilot program relating to use of proceeds of disposal or utilization of certain Department of Energy assets.

“Subtitle D—Other Matters

“Sec. 4851. Semiannual reports on local impact assistance.
“Sec. 4852. Payment of costs of operation and maintenance of infrastructure at Nevada Test Site.”.

(2) DEFINITION.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new section:

50 USC 2501.

“SEC. 4002. DEFINITION.

“In this division, the term ‘congressional defense committees’ means—

“(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

“(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.”.

(d) ORGANIZATIONAL MATTERS.—

(1) TITLE HEADING.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following:

"TITLE XLI—ORGANIZATIONAL MATTERS".

(2) NAVAL NUCLEAR PROPULSION PROGRAM.—Section 1634 of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 98 Stat. 2649), is— 50 USC 2511. 42 USC 7158 note.

(A) transferred to title XLI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) inserted after the title heading for such title, as so added; and

(C) amended—

(i) by striking the section heading and inserting the following new section heading:

"SEC. 4101. NAVAL NUCLEAR PROPULSION PROGRAM.";

and

(ii) by striking "SEC. 1634.".

(3) MANAGEMENT STRUCTURE FOR FACILITIES AND LABORATORIES.—Section 3140 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2833), is— 50 USC 2512. 42 USC 7252 note.

(A) transferred to title XLI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4102;

(C) inserted after section 4101, as added by paragraph (2); and

(D) amended in subsection (d)(2), by striking "120 days after the date of the enactment of this Act," and inserting "January 21, 1997,". 50 USC 2512.

(4) RESTRICTION ON LICENSING REQUIREMENTS FOR CERTAIN ACTIVITIES AND FACILITIES.—Section 210 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (Public Law 96–540; 94 Stat. 3202), is— 50 USC 2513. 42 USC 7272.

(A) transferred to title XLI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4102, as added by paragraph (3); and

(C) amended—

(i) by striking the section heading and inserting the following new section heading:

"SEC. 4103. RESTRICTION ON LICENSING REQUIREMENT FOR CERTAIN DEFENSE ACTIVITIES AND FACILITIES.";

(ii) by striking "SEC. 210."; and

(iii) by striking "this or any other Act" and inserting "the Department of Energy National Security and Military Applications of Nuclear Energy 50 USC 2513.

Authorization Act of 1981 (Public Law 96–540) or any other Act".

(e) NUCLEAR WEAPONS STOCKPILE MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

"TITLE XLII—NUCLEAR WEAPONS STOCKPILE MATTERS

"Subtitle A—Stockpile Stewardship and Weapons Production".

50 USC 2521. 42 USC 2121 note.

(2) STOCKPILE STEWARDSHIP PROGRAM.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946), as amended by section 3152(e) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2042), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4201; and

(C) inserted after the heading for subtitle A of such title, as so added.

50 USC 2522. 42 USC 2121 note.

(3) STOCKPILE STEWARDSHIP CRITERIA.—Section 3158 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2257), as amended, is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4202; and

(C) inserted after section 4201, as added by paragraph (2).

50 USC 2523.

(4) PLAN FOR STEWARDSHIP, MANAGEMENT, AND CERTIFICATION OF WARHEADS IN STOCKPILE.—Section 3151 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2041), is—

42 USC 2121 note.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4203; and

(C) inserted after section 4202, as added by paragraph (3).

50 USC 2524. 42 USC 2121 note.

(5) STOCKPILE LIFE EXTENSION PROGRAM.—Section 3133 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 926), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

Ante, p. 1743.

(B) redesignated as section 4204;

(C) inserted after section 4203, as added by paragraph (4); and

(D) amended in subsection (c)(1) by striking "the date of the enactment of this Act" and inserting "October 5, 1999".

50 USC 2525.
42 USC 7274s.

(6) ANNUAL ASSESSMENTS AND REPORTS ON CONDITION OF STOCKPILE.—Section 3141 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2730), is—

(A) transferred to title XLII of such Act, as amended by this subsection;

(B) redesignated as section 4205;

(C) inserted after section 4204, as added by paragraph (5); and

50 USC 2525.

(D) amended in subsection (d)(3)(B) by striking "section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (42 U.S.C. 2121 note)" and inserting "section 4212".

42 USC 2121 note, 50 USC 2526.

(7) FORM OF CERTAIN CERTIFICATIONS REGARDING STOCKPILE.—Section 3194 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–481), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4206; and

(C) inserted after section 4205, as added by paragraph (6).

42 USC 2121 note, 50 USC 2527.

(8) NUCLEAR TEST BAN READINESS PROGRAM.—Section 1436 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 2075), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4207;

(C) inserted after section 4206, as added by paragraph (7); and

50 USC 2527.

(D) amended in the section heading by adding a period at the end.

42 USC 2121 note, 50 USC 2528.

(9) STUDY ON NUCLEAR TEST READINESS POSTURES.—Section 3152 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 623), as amended by section 3192 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–480), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4208; and

(C) inserted after section 4207, as added by paragraph (8).

50 USC 2529.
42 USC 7271d.

(10) REQUIREMENTS FOR REQUESTS FOR NEW OR MODIFIED NUCLEAR WEAPONS.—Section 3143 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2733), is—

(A) transferred to title XLII of such Act, as amended by this subsection;

(B) redesignated as section 4209; and

(C) inserted after section 4208, as added by paragraph (9).

42 USC 2121 note, 50 USC 2530.

(11) LIMITATION ON UNDERGROUND NUCLEAR WEAPONS TESTS.—Subsection (f) of section 507 of the Energy and Water Development Appropriations Act, 1993 (Public Law 102–337; 106 Stat. 1345), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4209, as added by paragraph (10); and

(C) amended—

(i) by inserting before the text the following new section heading:

“SEC. 4210. LIMITATION ON UNDERGROUND NUCLEAR WEAPONS TESTS.”;

and

(ii) by striking “(f)”.

50 USC 2531.
42 USC 2121 note.

(12) TESTING OF NUCLEAR WEAPONS.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4211;

(C) inserted after section 4210, as added by paragraph (11); and

50 USC 2531.

(D) amended—

(i) in subsection (a), by inserting “of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160)” after “section 3101(a)(2)”; and

(ii) in subsection (b), by striking “this Act” and inserting “the National Defense Authorization Act for Fiscal Year 1994”.

50 USC 2532.
42 USC 2121 note.

(13) MANUFACTURING INFRASTRUCTURE FOR STOCKPILE.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 620), as amended by section 3132 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2829), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4212;

(C) inserted after section 4211, as added by paragraph (12); and

50 USC 2532.

(D) amended in subsection (d) by inserting “of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106)” after “section 3101(b)”.

10 USC 179, 50 USC 2533.
42 USC 7274*o*.

(14) REPORTS ON CRITICAL DIFFICULTIES AT LABORATORIES AND PLANTS.—Section 3159 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2842), as amended by section 1305 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1954) and section 3163 of the National Defense

Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 944), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4213; and

(C) inserted after section 4212, as added by paragraph (13).

(15) SUBTITLE HEADING ON TRITIUM.—Title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Tritium".

(16) TRITIUM PRODUCTION PROGRAM.—Section 3133 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 618), is— 42 USC 2121 note, 50 USC 2541.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4231;

(C) inserted after the heading for subtitle B of such title XLII, as added by paragraph (15); and

(D) amended— 50 USC 2541.

(i) by striking "the date of the enactment of this Act" each place it appears and inserting "February 10, 1996"; and

(ii) in subsection (b), by inserting "of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106)" after "section 3101".

(17) TRITIUM RECYCLING.—Section 3136 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 620), is— 50 USC 2542.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4232; and

(C) inserted after section 4231, as added by paragraph (16).

(18) TRITIUM PRODUCTION.—Subsections (c) and (d) of section 3133 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2830) are— 50 USC 2543.

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4232, as added by paragraph (17); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4233. TRITIUM PRODUCTION.";

(ii) by redesignating such subsections as subsections (a) and (b), respectively; and

(iii) in subsection (a), as so redesignated, by inserting "of Energy" after "The Secretary".

50 USC 2544.

(19) MODERNIZATION AND CONSOLIDATION OF TRITIUM RECYCLING FACILITIES.—Section 3134 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2830), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4234;

(C) inserted after section 4233, as added by paragraph (18); and

(D) amended in subsection (b) by inserting "of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201)" after "section 3101".

50 USC 2545.

(20) PROCEDURES FOR MEETING TRITIUM PRODUCTION REQUIREMENTS.—Section 3134 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 927), is—

(A) transferred to title XLII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4235; and

(C) inserted after section 4234, as added by paragraph (19).

(f) PROLIFERATION MATTERS.—

(1) TITLE HEADING.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new title heading:

"TITLE XLIII—PROLIFERATION MATTERS".

42 USC 7273c, 50 USC 2561.

(2) INTERNATIONAL COOPERATIVE STOCKPILE STEWARDSHIP.—Section 3133 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2036), as amended by sections 1069 and 3131 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2136, 2246), is—

(A) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4301;

(C) inserted after the heading for such title, as so added; and

50 USC 2561.

(D) amended in subsection (b)(3) by striking "this Act" and inserting "the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85)".

50 USC 2562.

(3) NONPROLIFERATION INITIATIVES AND ACTIVITIES.—Section 3136 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 927), is—

(A) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4302;

(C) inserted after section 4301, as added by paragraph (2); and

(D) amended in subsection (b)(1) by striking "this title" and inserting "title XXXI of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65)".

(4) ANNUAL REPORT ON MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAM.—Section 3171 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1645A–475), is— 22 USC 5952 note, 50 USC 2563.

(A) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4303;

(C) inserted after section 4302, as added by paragraph (3); and

(D) amended in subsection (c)(1) by striking "this Act" and inserting "the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398)". 50 USC 2563.

(5) NUCLEAR CITIES INITIATIVE.—Section 3172 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1645A–476), is— 50 USC 2564.

(A) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4304; and

(C) inserted after section 4303, as added by paragraph (4).

(6) PROGRAMS ON FISSILE MATERIALS.—Section 3131 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 617), as amended by section 3152 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2738), is— 22 USC 5952 note, 50 USC 2565.

(A) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4305; and

(C) inserted after section 4304, as added by paragraph (5).

(7) DISPOSITION OF PLUTONIUM.—

(A) DISPOSITION OF WEAPONS USABLE PLUTONIUM.—Section 3182 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2747), is— 50 USC 2566.

(i) transferred to title XLIII of such Act, as amended by this subsection;

(ii) redesignated as section 4306; and

(iii) inserted after section 4305, as added by paragraph (6).

(B) DISPOSITION OF SURPLUS DEFENSE PLUTONIUM.—Section 3155 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1378), is— 50 USC 2567.

(i) transferred to title XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4306A; and

(iii) inserted after section 4306, as added by subparagraph (A).

(g) ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

“TITLE XLIV—ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT MATTERS

“Subtitle A—Environmental Restoration and Waste Management”.

42 USC 7274f, 50 USC 2581.

(2) DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT ACCOUNT.—Section 3134 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1575), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4401; and

(C) inserted after the heading for subtitle A of such title, as so added.

42 USC 7274k note, 50 USC 2582.

(3) FUTURE USE PLANS FOR ENVIRONMENTAL MANAGEMENT PROGRAM.—Section 3153 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2839), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4402;

(C) inserted after section 4401, as added by paragraph (2); and

50 USC 2582.

(D) amended—

(i) in subsection (d), by striking “the date of the enactment of this Act” and inserting “September 23, 1996,”; and

(ii) in subsection (h)(1), by striking “the date of the enactment of this Act” and inserting “September 23, 1996”.

50 USC 2583.

(4) INTEGRATED FISSILE MATERIALS MANAGEMENT PLAN.—Section 3172 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 948), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4403; and

(C) inserted after section 4402, as added by paragraph (3).

(5) BASELINE ENVIRONMENTAL MANAGEMENT REPORTS.—Section 3153 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1950), as amended by section 3160 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3094), section 3152 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2839), and section 3160 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2048), is— 42 USC 7274k, 50 USC 2584.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4404; and

(C) inserted after section 4403, as added by paragraph (4).

(6) ACCELERATED SCHEDULE FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.—Section 3156 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 625), is— 42 USC 7274k note, 50 USC 2585.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4405;

(C) inserted after section 4404, as added by paragraph (5); and

(D) amended in subsection (b)(2) by inserting before the period the following: ", the predecessor provision to section 4404 of this Act". 50 USC 2585.

(7) DEFENSE WASTE CLEANUP TECHNOLOGY PROGRAM.—Section 3141 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1679), is— 42 USC 7274a, 50 USC 2586.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4406;

(C) inserted after section 4405, as added by paragraph (6); and

(D) amended in the section heading by adding a period at the end. 50 USC 2586.

(8) REPORT ON ENVIRONMENTAL RESTORATION EXPENDITURES.—Section 3134 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1833), is— 42 USC 7274c, 50 USC 2587.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4407;

(C) inserted after section 4406, as added by paragraph (7); and

(D) amended in the section heading by adding a period at the end. 50 USC 2587.

(9) PUBLIC PARTICIPATION IN PLANNING FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.—Subsection (e) of section 3160 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3095), is— 42 USC 7274g note, 50 USC 2588.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4407, as added by paragraph (8); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4408. PUBLIC PARTICIPATION IN PLANNING FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT AT DEFENSE NUCLEAR FACILITIES.";

and

(ii) by striking "(e) PUBLIC PARTICIPATION IN PLANNING.—".

(10) SUBTITLE HEADING ON CLOSURE OF FACILITIES.—Title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Closure of Facilities".

42 USC 7274n, 50 USC 2601.

(11) PROJECTS TO ACCELERATE CLOSURE ACTIVITIES AT DEFENSE NUCLEAR FACILITIES.—Section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4421;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (10); and

50 USC 2601.

(D) amended in subsection (i) by striking "the expiration of the 15-year period beginning on the date of the enactment of this Act" and inserting "September 23, 2011".

42 USC 7274b, 50 USC 2602.

(12) REPORTS IN CONNECTION WITH PERMANENT CLOSURE OF DEFENSE NUCLEAR FACILITIES.—Section 3156 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1683), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4422;

(C) inserted after section 4421, as added by paragraph (11); and

50 USC 2602.

(D) amended in the section heading by adding a period at the end.

(13) SUBTITLE HEADING ON PRIVATIZATION.—Title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle C—Privatization”.

(14) DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION PROJECTS.—Section 3132 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2034), is— 50 USC 2611.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4431;

(C) inserted after the heading for subtitle C of such title, as added by paragraph (13); and

(D) amended—

(i) in subsections (a), (c)(1)(B)(i), and (d), by inserting “of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85)” after “section 3102(i)”; and

(ii) in subsections (c)(1)(B)(ii) and (f), by striking “the date of enactment of this Act” and inserting “November 18, 1997”.

(15) SUBTITLE HEADING ON HANFORD RESERVATION.—Title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle D—Hanford Reservation, Washington”.

(16) SAFETY MEASURES FOR WASTE TANKS.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1833), is— 50 USC 2621.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4441;

(C) inserted after the heading for subtitle D of such title, as added by paragraph (15); and

(D) amended—

(i) in the section heading, by adding a period at the end;

(ii) in subsection (a), by striking “Within 90 days after the date of the enactment of this Act,” and inserting “Not later than February 3, 1991,”;

(iii) in subsection (b), by striking “Within 120 days after the date of the enactment of this Act,” and inserting “Not later than March 5, 1991,”;

(iv) in subsection (c), by striking “Beginning 120 days after the date of the enactment of this Act,” and inserting “Beginning March 5, 1991,”; and

(v) in subsection (d), by striking “Within six months after the date of the enactment of this Act,” and inserting “Not later than May 5, 1991,”.

(17) WASTE TANK CLEANUP PROGRAM.—Section 3139 of the Strom Thurmond National Defense Authorization Act for Fiscal 50 USC 2622.

Year 1999 (Public Law 105–261; 112 Stat. 2250), as amended by section 3141 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–463) and section 3135 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1368), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4442;

(C) inserted after section 4441, as added by paragraph (16); and

(D) amended in subsection (d) by striking "30 days after the date of the enactment of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001," and inserting "November 29, 2000,".

50 USC 2623. (18) RIVER PROTECTION PROJECT.—Subsection (a) of section 3141 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–462), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4442, as added by paragraph (17); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4443. RIVER PROTECTION PROJECT.";

and

(ii) by striking "(a) REDESIGNATION OF PROJECT.—".

50 USC 2624. (19) FUNDING FOR TERMINATION COSTS OF RIVER PROTECTION PROJECT.—Section 3131 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–454), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4444;

(C) inserted after section 4443, as added by paragraph (18); and

(D) amended—

(i) by striking "section 3141" and inserting "section 4443"; and

(ii) by striking "the date of the enactment of this Act" and inserting "October 30, 2000".

(20) SUBTITLE HEADING ON SAVANNAH RIVER SITE, SOUTH CAROLINA.—Title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle E—Savannah River Site, South Carolina".

(21) ACCELERATED SCHEDULE FOR ISOLATING HIGH-LEVEL NUCLEAR WASTE AT DEFENSE WASTE PROCESSING FACILITY.—Section 3141 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2834), is— 50 USC 2631.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as 4451; and

(C) inserted after the heading for subtitle E of such title, as added by paragraph (20).

(22) MULTI-YEAR PLAN FOR CLEAN-UP.—Subsection (e) of section 3142 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2834), is— 50 USC 2632.

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4451, as added by paragraph (21); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4452. MULTI-YEAR PLAN FOR CLEAN-UP.";

and

(ii) by striking "(e) MULTI-YEAR PLAN FOR CLEAN-UP AT SAVANNAH RIVER SITE.—The Secretary" and inserting "The Secretary of Energy".

(23) CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS.— 50 USC 2633.

(A) FISCAL YEAR 2001.—Subsection (a) of section 3137 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–460), is—

(i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) inserted after section 4452, as added by paragraph (22); and

(iii) amended—

(I) by inserting before the text the following new section heading:

"SEC. 4453. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS.";

and

(II) by striking "(a) CONTINUATION.—".

(B) FISCAL YEAR 2000.—Section 3132 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 924), is— 50 USC 2634.

(i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4453A; and

(iii) inserted after section 4453, as added by subparagraph (A).

50 USC 2635. (C) FISCAL YEAR 1999.—Section 3135 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2248), is—

(i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4453B; and

(iii) inserted after section 4453A, as added by subparagraph (B).

50 USC 2636. (D) FISCAL YEAR 1998.—Subsection (b) of section 3136 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2038), is—

(i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) inserted after section 4453B, as added by subparagraph (C); and

(iii) amended—

(I) by inserting before the text the following new section heading:

"SEC. 4453C. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS.";

and

(II) by striking "(b) REQUIREMENT FOR CONTINUING OPERATIONS AT SAVANNAH RIVER SITE.—".

50 USC 2637. (E) FISCAL YEAR 1997.—Subsection (f) of section 3142 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836), is—

(i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) inserted after section 4453C, as added by subparagraph (D); and

(iii) amended—

(I) by inserting before the text the following new section heading:

"SEC. 4453D. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS.";

(II) by striking "(f) REQUIREMENT FOR CONTINUING OPERATIONS AT SAVANNAH RIVER SITE.—The Secretary" and inserting "The Secretary of Energy"; and

(III) by striking "subsection (e)" and inserting "section 4452".

50 USC 2638. (24) LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F–CANYON FACILITY.—Subsection (b) of section 3137 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–460), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4453D, as added by paragraph (23)(E); and

(C) amended—

(i) by inserting before the text the following new section heading:

“SEC. 4454. LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F–CANYON FACILITY.”;

(ii) by striking “(b) LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F–CANYON FACILITY.—”;

(iii) by striking “this or any other Act” and inserting “the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) or any other Act”; and

(iv) by striking “the Secretary” in the matter preceding paragraph (1) and inserting “the Secretary of Energy”.

(h) SAFEGUARDS AND SECURITY MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

“TITLE XLV—SAFEGUARDS AND SECURITY MATTERS

“Subtitle A—Safeguards and Security”.

(2) PROHIBITION ON INTERNATIONAL INSPECTIONS OF FACILITIES WITHOUT PROTECTION OF RESTRICTED DATA.—Section 3154 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 624), is— 42 USC 2153 note, 2164 note; 50 USC 2651.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4501;

(C) inserted after the heading for subtitle A of such title, as so added; and

(D) amended— 50 USC 2651.

(i) by striking “(1) The” and inserting “The”; and

(ii) by striking “(2) For purposes of paragraph (1),” and inserting “(c) RESTRICTED DATA DEFINED.—In this section,”.

(3) RESTRICTIONS ON ACCESS TO LABORATORIES BY FOREIGN VISITORS FROM SENSITIVE COUNTRIES.—Section 3146 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 935), is— 42 USC 7383c, 50 USC 2652.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4502;

(C) inserted after section 4501, as added by paragraph (2); and

(D) amended— 50 USC 2652.

(i) in subsection (b)(2)—

(I) in the matter preceding subparagraph (A), by striking "30 days after the date of the enactment of this Act" and inserting "on November 4, 1999,"; and

(II) in subparagraph (A), by striking "The date that is 90 days after the date of the enactment of this Act" and inserting "January 3, 2000";

(ii) in subsection (d)(1), by striking "the date of the enactment of this Act," and inserting "October 5, 1999,"; and

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(iii) in subsection (g), by adding at the end the following new paragraphs:

"(3) The term 'national laboratory' means any of the following:

"(A) Lawrence Livermore National Laboratory, Livermore, California.

"(B) Los Alamos National Laboratory, Los Alamos, New Mexico.

"(C) Sandia National Laboratories, Albuquerque, New Mexico and Livermore, California.

"(4) The term 'Restricted Data' has the meaning given that term in section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).".

42 USC 7383a, 50 USC 2653.

(4) BACKGROUND INVESTIGATIONS ON CERTAIN PERSONNEL.—Section 3143 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 934), is—

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4503;

(C) inserted after section 4502, as added by paragraph (3); and

50 USC 2653.

(D) amended—

(i) in subsection (b), by striking "the date of the enactment of this Act" and inserting "October 5, 1999,"; and

(ii) by adding at the end the following new subsection:

"(c) DEFINITIONS.—In this section, the terms 'national laboratory' and 'Restricted Data' have the meanings given such terms in section 4502(g).".

42 USC 7383h, 7383h–1; 50 USC 2654.

(5) COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—

(A) DEPARTMENT OF ENERGY COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—Section 3152 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1376), is—

(i) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4504;

(iii) inserted after section 4503, as added by paragraph (4); and

50 USC 2654, 2655.

(iv) amended in subsection (c) by striking "section 3154 of the Department of Energy Facilities Safeguards, Security, and Counterintelligence Enhancement Act of 1999 (subtitle D of title XXXI of Public

Law 106–65; 42 U.S.C. 7383h)" and inserting "section 4504A".

(B) COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—Section 3154 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 941), as amended by section 3135 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–456), is— 42 USC 7383h, 50 USC 2655.

(i) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4504A;

(iii) inserted after section 4504, as added by subparagraph (A); and

(iv) amended in subsection (h) by striking "180 days after the date of the enactment of this Act," and inserting "April 5, 2000,". 50 USC 2655.

(6) NOTICE OF SECURITY AND COUNTERINTELLIGENCE FAILURES.—Section 3150 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 939), is— 42 USC 7383d, 50 USC 2656.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4505; and

(C) inserted after section 4504A, as added by paragraph (5)(B).

(7) ANNUAL REPORT ON SECURITY FUNCTIONS AT NUCLEAR WEAPONS FACILITIES.—Section 3162 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2049), is— 42 USC 7274m note, 50 USC 2657.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4506;

(C) inserted after section 4505, as added by paragraph (6); and

(D) amended in subsection (b) by inserting "of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2048; 42 U.S.C. 7251 note)" after "section 3161". 50 USC 2657.

(8) REPORT ON COUNTERINTELLIGENCE AND SECURITY PRACTICES AT LABORATORIES.—Section 3152 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 940), is— 42 USC 7383f, 50 USC 2658.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4507;

(C) inserted after section 4506, as added by paragraph (7); and

(D) amended by adding at the end the following new subsection: 50 USC 2658.

"(c) NATIONAL LABORATORY DEFINED.—In this section, the term 'national laboratory' has the meaning given that term in section 4502(g)(3).".

42 USC 7383g, 50 USC 2659.

(9) REPORT ON SECURITY VULNERABILITIES OF NATIONAL LABORATORY COMPUTERS.—Section 3153 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 940), is—

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4508;

(C) inserted after section 4507, as added by paragraph (8); and

50 USC 2659.

(D) amended by adding at the end the following new subsection:

"(f) NATIONAL LABORATORY DEFINED.—In this section, the term 'national laboratory' has the meaning given that term in section 4502(g)(3).".

(10) SUBTITLE HEADING ON CLASSIFIED INFORMATION.—Title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Classified Information".

42 USC 2162 note, 50 USC 2671.

(11) REVIEW OF CERTAIN DOCUMENTS BEFORE DECLASSIFICATION AND RELEASE.—Section 3155 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 625), is—

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4521; and

(C) inserted after the heading for subtitle B of such title, as added by paragraph (10).

50 USC 435 note, 2672.

(12) PROTECTION AGAINST INADVERTENT RELEASE OF RESTRICTED DATA AND FORMERLY RESTRICTED DATA.—Section 3161 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2259), as amended by section 1067(3) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 774) and section 3193 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–480), is—

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4522;

(C) inserted after section 4521, as added by paragraph (11); and

50 USC 2672.

(D) amended—

(i) in subsection (c)(1), by striking "the date of the enactment of this Act" and inserting "October 17, 1998,";

(ii) in subsection (f)(1), by striking "the date of the enactment of this Act" and inserting "October 17, 1998"; and

(iii) in subsection (f)(2), by striking "The Secretary" and inserting "Commencing with inadvertent releases discovered on or after October 30, 2000, the Secretary".

(13) SUPPLEMENT TO PLAN FOR DECLASSIFICATION OF RESTRICTED DATA AND FORMERLY RESTRICTED DATA.—Section 3149 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 938), is— 50 USC 435 note, 2673.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4523;

(C) inserted after section 4522, as added by paragraph (12); and

(D) amended— 50 USC 2673.

(i) in subsection (a), by striking "subsection (a) of section 3161 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2260; 50 U.S.C. 435 note)" and inserting "subsection (a) of section 4522";

(ii) in subsection (b)—

(I) by striking "section 3161(b)(1) of that Act" and inserting "subsection (b)(1) of section 4522"; and

(II) by striking "the date of the enactment of that Act" and inserting "October 17, 1998,";

(iii) in subsection (c)—

(I) by striking "section 3161(c) of that Act" and inserting "subsection (c) of section 4522"; and

(II) by striking "section 3161(a) of that Act" and inserting "subsection (a) of such section"; and

(iv) in subsection (d), by striking "section 3161(d) of that Act" and inserting "subsection (d) of section 4522".

(14) PROTECTION OF CLASSIFIED INFORMATION DURING LABORATORY-TO-LABORATORY EXCHANGES.—Section 3145 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 935), is— 42 USC 7383*b*, 50 USC 2674.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4524; and

(C) inserted after section 4523, as added by paragraph (13).

(15) IDENTIFICATION IN BUDGETS OF AMOUNT FOR DECLASSIFICATION ACTIVITIES.—Section 3173 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 949), is— 50 USC 435 note, 2675.

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4525;

(C) inserted after section 4524, as added by paragraph (14); and

(D) amended in subsection (b) by striking "the date of the enactment of this Act" and inserting "October 5, 1999,". 50 USC 2675.

(16) SUBTITLE HEADING ON EMERGENCY RESPONSE.—Title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle C—Emergency Response".

50 USC 2691.

(17) RESPONSIBILITY FOR DEFENSE PROGRAMS EMERGENCY RESPONSE PROGRAM.—Section 3158 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 626), is—

(A) transferred to title XLV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4541; and

(C) inserted after the heading for subtitle C of such title, as added by paragraph (16).

(i) PERSONNEL MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

"TITLE XLVI—PERSONNEL MATTERS

"Subtitle A—Personnel Management".

42 USC 7231 note, 50 USC 2701.

(2) AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.—Section 3161 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3095), as amended by section 3139 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2040), sections 3152 and 3155 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2253, 2257), and section 3191 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–480), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4601; and

(C) inserted after the heading for subtitle A of such title, as so added.

42 USC 7239, 50 USC 2702.

(3) WHISTLEBLOWER PROTECTION PROGRAM.—Section 3164 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 946), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4602;

(C) inserted after section 4601, as added by paragraph (2); and

(D) amended in subsection (n) by striking “60 days after the date of the enactment of this Act,” and inserting “December 5, 1999,”.

(4) EMPLOYEE INCENTIVES FOR WORKERS AT CLOSURE PROJECT FACILITIES.—Section 3136 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–458), is— 42 USC 7274n note, 50 USC 2703.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4603;

(C) inserted after section 4602, as added by paragraph (3); and

(D) amended— 50 USC 2703.

(i) in subsections (c) and (i)(1)(A), by striking “section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (42 U.S.C. 7274n)” and inserting “section 4421”; and

(ii) in subsection (g), by striking “section 3143(h) of the National Defense Authorization Act for Fiscal Year 1997” and inserting “section 4421(h)”.

(5) DEFENSE NUCLEAR FACILITY WORKFORCE RESTRUCTURING PLAN.—Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2644), as amended by section 1070(c)(2) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2857), Public Law 105–277 (112 Stat. 2681–419, 2681–430), and section 1048(h)(1) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1229), is— 42 USC 7274h, 50 USC 2704.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4604;

(C) inserted after section 4603, as added by paragraph (4); and

(D) amended— 50 USC 2704.

(i) in subsection (a), by striking “(hereinafter in this subtitle referred to as the ‘Secretary’)”; and

(ii) by adding at the end the following new subsection:

“(g) DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITY DEFINED.—In this section, the term ‘Department of Energy defense nuclear facility’ means—

“(1) a production facility or utilization facility (as those terms are defined in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014)) that is under the control or jurisdiction of the Secretary and that is operated for national security purposes (including the tritium loading facility at Savannah River, South Carolina, the 236 H facility at Savannah River, South Carolina; and the Mound Laboratory, Ohio), but the term does not include any facility that does not conduct atomic energy defense activities and does not include any facility or activity covered by Executive Order Number 12344, dated February 1, 1982, pertaining to the naval nuclear propulsion program;

"(2) a nuclear waste storage or disposal facility that is under the control or jurisdiction of the Secretary;

"(3) a testing and assembly facility that is under the control or jurisdiction of the Secretary and that is operated for national security purposes (including the Nevada Test Site, Nevada; the Pinnellas Plant, Florida; and the Pantex facility, Texas);

"(4) an atomic weapons research facility that is under the control or jurisdiction of the Secretary (including Lawrence Livermore, Los Alamos, and Sandia National Laboratories); or

"(5) any facility described in paragraphs (1) through (4) that—

"(A) is no longer in operation;

"(B) was under the control or jurisdiction of the Department of Defense, the Atomic Energy Commission, or the Energy Research and Development Administration; and

"(C) was operated for national security purposes.".

42 USC 2121 note, 50 USC 2705.

(6) AUTHORITY TO PROVIDE CERTIFICATE OF COMMENDATION TO EMPLOYEES.—Section 3195 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–481), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4605; and

(C) inserted after section 4604, as added by paragraph (5).

(7) SUBTITLE HEADING ON EDUCATION AND TRAINING.—Title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Education and Training".

42 USC 7236, 50 USC 2721.

(8) EXECUTIVE MANAGEMENT TRAINING.—Section 3142 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1680), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4621;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (7); and

50 USC 2721.

(D) amended in the section heading by adding a period at the end.

50 USC 2722.

(9) STOCKPILE STEWARDSHIP RECRUITMENT AND TRAINING PROGRAM.—Section 3131 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3085), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4622;

(C) inserted after section 4621, as added by paragraph (8); and

(D) amended—

(i) in subsection (a)(1), by striking "section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note)" and inserting "section 4201"; and

(ii) in subsection (b)(2), by inserting "of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337)" after "section 3101(a)(1)".

(10) FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO NUCLEAR WEAPONS COMPLEX.—Section 3140 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 621), as amended by section 3162 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 943), is— 42 USC 2121 note, 50 USC 2723.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4623; and

(C) inserted after section 4622, as added by paragraph (9).

(11) SUBTITLE HEADING ON WORKER SAFETY.—Title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle C—Worker Safety".

(12) WORKER PROTECTION AT NUCLEAR WEAPONS FACILITIES.—Section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1571), is— 42 USC 7274d, 50 USC 2731.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4641;

(C) inserted after the heading for subtitle C of such title, as added by paragraph (11); and

(D) amended in subsection (e) by inserting "of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190)" after "section 3101(9)(A)". 50 USC 2731.

(13) SAFETY OVERSIGHT AND ENFORCEMENT AT DEFENSE NUCLEAR FACILITIES.—Section 3163 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3097), is— 42 USC 7274m, 50 USC 2732.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4642;

(C) inserted after section 4641, as added by paragraph (12); and

(D) amended in subsection (b) by striking "90 days after the date of the enactment of this Act," and inserting "January 5, 1995,". 50 USC 2732.

(14) PROGRAM TO MONITOR WORKERS AT DEFENSE NUCLEAR FACILITIES EXPOSED TO HAZARDOUS OR RADIOACTIVE SUBSTANCES.—Section 3162 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2646), is— 42 USC 7274i, 50 USC 2733.

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4643;

(C) inserted after section 4642, as added by paragraph (13); and

50 USC 2733. (D) amended—

(i) in subsection (b)(6), by striking "1 year after the date of the enactment of this Act" and inserting "October 23, 1993";

(ii) in subsection (c), by striking "180 days after the date of the enactment of this Act," and inserting "April 23, 1993,"; and

(iii) by adding at the end the following new subsection:

"(d) DEFINITIONS.—In this section:

"(1) The term 'Department of Energy defense nuclear facility' has the meaning given that term in section 4604(g).

"(2) The term 'Department of Energy employee' means any employee of the Department of Energy employed at a Department of Energy defense nuclear facility, including any employee of a contractor or subcontractor of the Department of Energy employed at such a facility.".

50 USC 2734. (15) PROGRAMS FOR PERSONS WHO MAY HAVE BEEN EXPOSED TO RADIATION RELEASED FROM HANFORD RESERVATION.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1834), as amended by section 3138 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3087), is—

(A) transferred to title XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4644;

(C) inserted after section 4643, as added by paragraph (14); and

(D) amended—

(i) in the section heading, by adding a period at the end;

(ii) in subsection (a), by striking "this title" and inserting "title XXXI of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510)"; and

(iii) in subsection (c)—

(I) in paragraph (2), by striking "six months after the date of the enactment of this Act," and inserting "May 5, 1991,"; and

(II) in paragraph (3), by striking "18 months after the date of the enactment of this Act," and inserting "May 5, 1992,".

(j) BUDGET AND FINANCIAL MANAGEMENT MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

“TITLE XLVII—BUDGET AND FINANCIAL MANAGEMENT MATTERS

“Subtitle A—Recurring National Security Authorization Provisions”.

42 USC 7386–7386k, 50 USC 2741–2752.

(2) Recurring national security authorization provisions.—Sections 3620 through 3631 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2756) are—

(A) transferred to title XLVII of such Act, as added by paragraph (1);

(B) redesignated as sections 4701 through 4712, respectively;

(C) inserted after the heading for subtitle A of such title, as so added; and

(D) amended—

(i) in section 4702, as so redesignated, by striking “sections 3629 and 3630” and inserting “sections 4710 and 4711”; 50 USC 2742.

(ii) in section 4706(a)(3)(B), as so redesignated, by striking “section 3626” and inserting “section 4707”; 50 USC 2746.

(iii) in section 4707(c), as so redesignated, by striking “section 3625(b)(2)” and inserting “section 4706(b)(2)”; 50 USC 2747.

(iv) in section 4710(c), as so redesignated, by striking “section 3621” and inserting “section 4702”; 50 USC 2750.

(v) in section 4711(c), as so redesignated, by striking “section 3621” and inserting “section 4702”; and 50 USC 2751.

(vi) in section 4712, as so redesignated, by striking “section 3621” and inserting “section 4702”. 50 USC 2752.

(3) Subtitle heading on penalties.—Title XLVII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

“Subtitle B—Penalties”.

42 USC 7273a, 50 USC 2761.

(4) Restriction on use of funds to pay penalties under environmental laws.—Section 3132 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661; 100 Stat. 4063), is—

(A) transferred to title XLVII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4721;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (3); and

(D) amended in the section heading by adding a period at the end. 50 USC 2761.

42 USC 7273, 50 USC 2762.

(5) Restriction on use of funds to pay penalties under Clean Air Act.—Section 211 of the Department of Energy National Security and Military Applications of Nuclear Energy

Authorization Act of 1981 (Public Law 96–540; 94 Stat. 3203), is—

(A) transferred to title XLVII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4721, as added by paragraph (4); and

(C) amended—

(i) by striking the section heading and inserting the following new section heading:

"SEC. 4722. RESTRICTION ON USE OF FUNDS TO PAY PENALTIES UNDER CLEAN AIR ACT.";

(ii) by striking "Sec. 211."; and

50 USC 2762.

(iii) by striking "this or any other Act" and inserting "the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (Public Law 96–540) or any other Act".

(6) Subtitle heading on other matters.—Title XLVII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle C—Other Matters".

42 USC 7271, 50 USC 2771.

(7) Single request for authorization of appropriations for common defense and security programs.—Section 208 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1979 (Public Law 95–509; 92 Stat. 1779), is—

(A) transferred to title XLVII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after the heading for subtitle C of such title, as added by paragraph (6); and

(C) amended—

(i) by striking the section heading and inserting the following new section heading:

"SEC. 4731. SINGLE REQUEST FOR AUTHORIZATION OF APPROPRIATIONS FOR COMMON DEFENSE AND SECURITY PROGRAMS.";

and

(ii) by striking "Sec. 208.".

(k) Administrative Matters.—

(1) Headings.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

“TITLE XLVIII—ADMINISTRATIVE MATTERS

“Subtitle A—Contracts”.

(2) COSTS NOT ALLOWED UNDER CERTAIN CONTRACTS.—Section 1534 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 774), as amended by section 3131 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1238), is— 42 USC 7256a, 50 USC 2781.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4801;

(C) inserted after the heading for subtitle A of such title, as so added; and

(D) amended— 50 USC 2781.

(i) in the section heading, by adding a period at the end; and

(ii) in subsection (b)(1), by striking “the date of the enactment of this Act,” and inserting “November 8, 1985,”.

(3) PROHIBITION ON BONUSES TO CONTRACTORS OPERATING DEFENSE NUCLEAR FACILITIES.—Section 3151 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1682), is— 42 USC 7256*b*, 50 USC 2782.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4802;

(C) inserted after section 4801, as added by paragraph (2); and

(D) amended— 50 USC 2782.

(i) in the section heading, by adding a period at the end;

(ii) in subsection (a), by striking “the date of the enactment of this Act” and inserting “November 29, 1989”;

(iii) in subsection (b), by striking “6 months after the date of the enactment of this Act,” and inserting “May 29, 1990,”; and

(iv) in subsection (d), by striking “90 days after the date of the enactment of this Act” and inserting “March 1, 1990”.

(4) CONTRACTOR LIABILITY FOR INJURY OR LOSS OF PROPERTY ARISING FROM ATOMIC WEAPONS TESTING PROGRAMS.—Section 3141 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1837), is— 42 USC 2212, 50 USC 2783.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4803;

(C) inserted after section 4802, as added by paragraph (3); and

(D) amended— 50 USC 2783.

(i) in the section heading, by adding a period at the end; and

(ii) in subsection (d), by striking "the date of the enactment of this Act" each place it appears and inserting "November 5, 1990,".

(5) SUBTITLE HEADING ON RESEARCH AND DEVELOPMENT.—Title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Research and Development".

42 USC 7257a, 50 USC 2791.

(6) LABORATORY-DIRECTED RESEARCH AND DEVELOPMENT.—Section 3132 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1832), is—

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4811;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (5); and

50 USC 2791.

(D) amended in the section heading by adding a period at the end.

42 USC 7257*b*, 7257c; 50 USC 2792.

(7) LIMITATIONS ON USE OF FUNDS FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT.—

(A) LIMITATIONS ON USE OF FUNDS FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2038), is—

(i) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4812;

(iii) inserted after section 4811, as added by paragraph (6);

50 USC 2792.

(iv) amended in subsection (b) by striking "section 3136(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2831; 42 U.S.C. 7257b)" and inserting "section 4812A(b)";

(v) amended in subsection (d)—

(I) by striking "section 3136(b)(1)" and inserting "section 4812A(b)(1)"; and

(II) by striking "section 3132(c) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(c))" and inserting "section 4811(c)"; and

(vi) amended in subsection (e) by striking "section 3132(d) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(d))" and inserting "section 4811(d)".

42 USC 7257*b*, 50 USC 2793.

(B) LIMITATION ON USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.—Section 3136 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2830), as amended by section 3137 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2038), is—

(i) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4812A;

(iii) inserted after section 4812, as added by subparagraph (A); and

(iv) amended in subsection (a) by inserting "of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201)" after "section 3101". 50 USC 2793.

(8) CRITICAL TECHNOLOGY PARTNERSHIPS.—Section 3136 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1577), as amended by section 203(b)(3) of Public Law 103–35 (107 Stat. 102), is— 42 USC 2123, 50 USC 2794.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4813; and

(C) inserted after section 4812A, as added by paragraph (7)(B).

(9) UNIVERSITY-BASED RESEARCH COLLABORATION PROGRAM.—Section 3155 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2044), is— 50 USC 2795, 7381 note.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4814;

(C) inserted after section 4813, as added by paragraph (8); and

(D) amended in subsection (c) by striking "this title" and inserting "title XXXI of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85)". 50 USC 2795.

(10) SUBTITLE HEADING ON FACILITIES MANAGEMENT.—Title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle C—Facilities Management".

(11) TRANSFERS OF REAL PROPERTY AT CERTAIN FACILITIES.—Section 3158 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2046), is— 42 USC 7274q, 50 USC 2811.

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4831; and

(C) inserted after the heading for subtitle C of such title, as added by paragraph (10).

(12) ENGINEERING AND MANUFACTURING RESEARCH, DEVELOPMENT, AND DEMONSTRATION AT CERTAIN NUCLEAR WEAPONS PRODUCTION PLANTS.—Section 3156 of the Floyd D. 42 USC 7274r note, 50 USC 2812.

Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–467), is—

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4832; and

(C) inserted after section 4831, as added by paragraph (11).

42 USC 7256 note, 50 USC 2813.

(13) PILOT PROGRAM ON USE OF PROCEEDS OF DISPOSAL OR UTILIZATION OF CERTAIN ASSETS.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2039), is—

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4833;

(C) inserted after section 4832, as added by paragraph (12); and

50 USC 2813.

(D) amended in subsection (d) by striking "sections 202 and 203(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483 and 484(j))" and inserting "subchapter II of chapter 5 and section 549 of title 40, United States Code,".

(14) SUBTITLE HEADING ON OTHER MATTERS.—Title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle D—Other Matters".

42 USC 7274h note, 50 USC 2821.

(15) SEMIANNUAL REPORTS ON LOCAL IMPACT ASSISTANCE.—Subsection (f) of section 3153 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2044), is—

(A) transferred to title XLVIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after the heading for subtitle D of such title, as added by paragraph (14); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4851. SEMIANNUAL REPORTS ON LOCAL IMPACT ASSISTANCE.";

(ii) by striking "(f) SEMIANNUAL REPORTS TO CONGRESS OF LOCAL IMPACT ASSISTANCE.—"; and

50 USC 2821.

(iii) by striking "section 3161(c)(6) of the National Defense Authorization Act of 1993 (42 U.S.C. 7274h(c)(6))" and inserting "section 4604(c)(6)".

50 USC 2822.

(16) PAYMENT OF COSTS OF OPERATION AND MAINTENANCE OF INFRASTRUCTURE AT NEVADA TEST SITE.—Section 3144 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2838), is—

(A) transferred to title XLVIII of such Act, as amended by this subsection;

(B) redesignated as section 4852; and

(C) inserted after section 4851, as added by paragraph (15).

(m) CONFORMING AMENDMENTS.—(1) Title XXXVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 1756) is repealed.

42 USC 7274j.

(2) Subtitle E of title XXXI of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274h et seq.) is repealed.

(3) Section 8905a(d)(5)(A) of title 5, United States Code, is amended by striking "section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (42 U.S.C. 7274n)" and inserting "section 4421 of the Atomic Energy Defense Act".

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2004, $19,559,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Authorized uses of National Defense Stockpile funds.
Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile.

SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 2004, the National Defense Stockpile Manager may obligate up to $69,701,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. REVISIONS TO REQUIRED RECEIPT OBJECTIVES FOR PREVIOUSLY AUTHORIZED DISPOSALS FROM NATIONAL DEFENSE STOCKPILE.

Section 3402 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 972; 50 U.S.C. 98d note) is amended—

(1) in subsection (b)—

(A) by striking "and" at the end of paragraph (2); and

(B) by striking paragraph (3) and inserting the following new paragraphs:

"(3) $340,000,000 before the end of fiscal year 2005; and

"(4) $450,000,000 before the end of fiscal year 2013."; and

(2) in subsection (e), by adding at the end the following new sentence: "The disposal of materials under this section to achieve the receipt levels specified in subsection (b), within the time periods specified in subsection, shall be in addition to any routine and on-going disposals used to fund operations of the National Defense Stockpile.".

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNT.—There are hereby authorized to be appropriated to the Secretary of Energy $16,500,000 for fiscal year 2004 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves.

(b) PERIOD OF AVAILABILITY.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

Maritime Security Act of 2003.

TITLE XXXV—MARITIME ADMINISTRATION

Sec. 3501. Short title.

Subtitle A—Maritime Administration Reauthorization

Sec. 3511. Authorization of appropriations for fiscal years 2004, 2005, 2006, 2007, and 2008.
Sec. 3512. Conveyance of obsolete vessels under title V, Merchant Marine Act, 1936.
Sec. 3513. Authority to convey vessel USS HOIST (ARS–40).
Sec. 3514. Cargo preference.
Sec. 3515. Maritime education and training.
Sec. 3516. Authority to convey obsolete vessels to United States territories and foreign countries for reefing.
Sec. 3517. Maintenance and repair reimbursement pilot program.

Subtitle B—Amendments to Title XI Loan Guarantee Program

Sec. 3521. Equity payments by obligor for disbursement prior to termination of escrow agreement.
Sec. 3522. Waivers of program requirements.
Sec. 3523. Project monitoring.
Sec. 3524. Defaults.
Sec. 3525. Decision period.
Sec. 3526. Loan guarantees.

Sec. 3527. Annual report on program.
Sec. 3528. Review of program.

Subtitle C—Maritime Security Fleet

Sec. 3531. Establishment of Maritime Security Fleet.
Sec. 3532. Related amendments to existing law.
Sec. 3533. Interim rules.
Sec. 3534. Repeals and conforming amendments.
Sec. 3535. GAO study of adjustment of operating agreement payment criteria.
Sec. 3536. Definitions.
Sec. 3537. Effective dates.

Subtitle D—National Defense Tank Vessel Construction Assistance

Sec. 3541. National defense tank vessel construction program.
Sec. 3542. Application procedure.
Sec. 3543. Award of assistance.
Sec. 3544. Priority for title XI assistance.
Sec. 3545. Definitions.
Sec. 3546. Authorization of appropriations.

SEC. 3501. SHORT TITLE.

46 USC 53101 note.

This title may be cited as the "Maritime Security Act of 2003".

Subtitle A—Maritime Administration Reauthorization

SEC. 3511. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 2004, 2005, 2006, 2007, AND 2008.

There are authorized to be appropriated to the Secretary of Transportation for the Maritime Administration—

(1) for expenses necessary for operations and training activities, not to exceed $104,400,000 for the fiscal year ending September 30, 2004, $106,000,000 for the fiscal year ending September 30, 2005, $109,000,000 for the fiscal year ending September 30, 2006, $111,000,000 for the fiscal year ending September 30, 2007, and $113,000,000 for the fiscal year ending September 30, 2008;

(2) for expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.), $36,000,000 for each of fiscal years 2004, 2005, 2006, 2007, and 2008 of which—

(A) $30,000,000 shall be for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees under the program; and

(B) $6,000,000 shall be for administrative expenses related to loan guarantee commitments under the program; and

(3) for ship disposal, $18,422,000 for fiscal year 2004, $11,422,000 for each of fiscal years 2005 and 2006, and $12,000,000 for each of fiscal years 2007 and 2008.

SEC. 3512. CONVEYANCE OF OBSOLETE VESSELS UNDER TITLE V, MERCHANT MARINE ACT, 1936.

Section 508 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1158) is amended—

(1) by inserting "(a) AUTHORITY TO SCRAP OR SELL OBSOLETE VESSELS.—" before "If"; and

(2) by adding at the end the following:

"(b) AUTHORITY TO CONVEY VESSELS.—

"(1) IN GENERAL.—Notwithstanding section 510(j) of this Act, the Secretary of Transportation may convey the right, title, and interest of the United States Government in any vessel of the National Defense Reserve Fleet that has been identified by the Secretary as an obsolete vessel of insufficient value to warrant its further preservation, if—

"(A) the recipient is a non-profit organization, a State, Commonwealth, or possession of the United States or any municipal corporation or political subdivision thereof, or the District of Columbia;

"(B) the recipient agrees not to use, or allow others to use, the vessel for commercial transportation purposes;

"(C) the recipient agrees to make the vessel available to the Government whenever the Secretary indicates that it is needed by the Government;

"(D) the recipient agrees to hold the Government harmless for any claims arising from exposure to asbestos, polychlorinated biphenyls, lead paint, or other hazardous substances after conveyance of the vessel, except for claims arising from use of the vessel by the Government;

"(E) the recipient has a conveyance plan and a business plan that describes the intended use of the vessel, each of which have been submitted to and approved by the Secretary;

"(F) the recipient has provided proof, as determined by the Secretary, of resources sufficient to accomplish the transfer, necessary repairs and modifications, and initiation of the intended use of the vessel; and

"(G) the recipient agrees that when the recipient no longer requires the vessel for use as described in the business plan required under subparagraph (E)—

"(i) the recipient will, at the discretion of the Secretary, reconvey the vessel to the Government in good condition except for ordinary wear and tear; or

"(ii) if the Board of Trustees of the recipient has decided to dissolve the recipient according to the laws of the State in which the recipient is incorporated, then—

"(I) the recipient shall distribute the vessel, as an asset of the recipient, to a person that has been determined exempt from taxation under the provisions of section 501(c)(3) of the Internal Revenue Code, or to the Federal Government or a State or local government for a public purpose; and

"(II) the vessel shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the recipient is located, for such purposes as the court shall determine, or to such organizations as the court shall determine are organized exclusively for public purposes.

"(2) OTHER EQUIPMENT.—At the Secretary's discretion, additional equipment from other obsolete vessels of the National Defense Reserve Fleet may be conveyed to assist the recipient with maintenance, repairs, or modifications.

"(3) ADDITIONAL TERMS.—The Secretary may require any additional terms the Secretary considers appropriate.

"(4) DELIVERY OF VESSEL.—If conveyance is made under this subsection the vessel shall be delivered to the recipient at a time and place to be determined by the Secretary. The vessel shall be conveyed in an 'as is' condition.

"(5) LIMITATIONS.—If at any time prior to delivery of the vessel to the recipient, the Secretary determines that a different disposition of a vessel would better serve the interests of the Government, the Secretary shall pursue the more favorable disposition of the obsolete vessel and shall not be liable for any damages that may result from an intended recipient's reliance upon a proposed transfer.

"(6) REVERSION.—The Secretary shall include in any conveyance under this subsection terms under which all right, title, and interest conveyed by the Secretary shall revert to the United States if the Secretary determines the vessel has been used other than as described in the business plan required under paragraph (1)(E).".

SEC. 3513. AUTHORITY TO CONVEY VESSEL USS HOIST (ARS–40).

(a) IN GENERAL.—Notwithstanding section 510(j) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1160(j)), the Secretary of Transportation may convey the right, title, and interest of the United States Government in and to the vessel USS HOIST (ARS–40), to the Last Patrol Museum, located in Toledo, Ohio (a not-for-profit corporation, in this section referred to as the "recipient"), for use as a military museum, if—

(1) the recipient agrees to use the vessel as a nonprofit military museum;

(2) the recipient agrees not to use, or allow others to use, the vessel for commercial transportation purposes;

(3) the recipient agrees to make the vessel available to the Government whenever the Secretary indicates that it is needed by the Government;

(4) the recipient agrees that when the recipient no longer requires the vessel for use as a military museum—

(A) the recipient will, at the discretion of the Secretary, reconvey the vessel to the Government in good condition except for ordinary wear and tear; or

(B) if the Board of Trustees of the recipient has decided to dissolve the recipient according to the laws of the State in which the recipient is incorporated, then—

(i) the recipient shall distribute the vessel, as an asset of the recipient, to a person that has been determined exempt from taxation under the provisions of section 501(c)(3) of the Internal Revenue Code, or to the Federal Government or a State or local government for a public purpose; and

(ii) the vessel shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the recipient is located, for such purposes as the court shall determine, or to such organizations as the court shall determine are organized exclusively for public purposes;

(5) the recipient agrees to hold the Government harmless for any claims arising from exposure to asbestos, polychlorinated biphenyls, lead paint, or other hazardous substances after conveyance of the vessel, except for claims arising from use of the vessel by the Government;

(6) the recipient has available, for use to restore the vessel, in the form of cash, liquid assets, or a written loan commitment, financial resources of at least $100,000; and

(7) the recipient has a conveyance plan and a business plan that describes the intended use of the vessel, each of which have been submitted to and approved by the Secretary.

(b) DELIVERY OF VESSEL.—If a conveyance is made under this section, the Secretary shall deliver the vessel at the place where the vessel is located on the date of the enactment of this Act, in its present condition, and without cost to the Government.

(c) OTHER UNNEEDED EQUIPMENT.—The Secretary may also convey any unneeded equipment from other vessels in the National Defense Reserve Fleet in order to restore the USS HOIST (ARS–40) to museum quality.

(d) RETENTION OF VESSEL IN NDRF.—

(1) IN GENERAL.—The Secretary shall retain in the National Defense Reserve Fleet the vessel authorized to be conveyed under subsection (a), until the earlier of—

(A) 2 years after the date of the enactment of this Act; or

(B) the date of conveyance of the vessel under subsection (a).

(2) LIMITATION.—Paragraph (1) does not require the Secretary to retain the vessel in the National Defense Reserve Fleet if the Secretary determines that retention of the vessel in the fleet will pose an unacceptable risk to the marine environment.

SEC. 3514. CARGO PREFERENCE.

Section 901b(c)(2) of the Merchant Marine Act, 1936 (46 U.S.C App. 1241f(c)(2)) is amended by striking "1986." and inserting "1986, the 18-month period beginning April 1, 2002, and the 12-month period beginning October 1, 2003, and each year thereafter.".

SEC. 3515. MARITIME EDUCATION AND TRAINING.

(a) COST OF EDUCATION DEFINED.—Section 1302 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295a) is amended—

(1) by striking "and" after the semicolon in paragraph (3);

(2) by striking "States." in paragraph (4)(B) and inserting "States; and"; and

(3) by adding at the end the following:

"(5) the term 'cost of education provided' means the financial costs incurred by the Federal Government for providing training or financial assistance to students at the United States Merchant Marine Academy and the State maritime academies, including direct financial assistance, room, board, classroom academics, and other training activities.".

(b) COMMITMENT AGREEMENTS.—Section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is amended—

(1) by striking "Academy, unless the individual is separated from the" in paragraph (1)(A);

(2) by striking paragraph (1)(C) and inserting the following:

"(C) to maintain a valid license as an officer in the merchant marine of the United States for at least 6 years following the date of graduation from the Academy of such individual, accompanied by the appropriate national and international endorsements and certification as required by the United States Coast Guard for service aboard vessels on domestic and international voyages;";

(3) by striking paragraph (1)(E)(iii) and inserting the following:

"(iii) as a commissioned officer on active duty in an armed force of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration, or other maritime-related employment with the Federal Government which serves the national security interests of the United States, as determined by the Secretary; or";

(4) by striking paragraph (2) and inserting the following:

"(2)(A) If the Secretary determines that any individual who has attended the Academy for not less than 2 years has failed to fulfill the part of the agreement required by paragraph (1)(A), such individual may be ordered by the Secretary of Defense to active duty in one of the armed forces of the United States to serve for a period of time not to exceed 2 years. In cases of hardship as determined by the Secretary, the Secretary may waive this provision in whole or in part.

"(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary may recover from the individual the cost of education provided by the Federal Government.";

(5) by striking paragraph (3) and inserting the following:

"(3)(A) If the Secretary determines that an individual has failed to fulfill any part of the agreement required by paragraph (1), as described in paragraph (1)(B), (C), (D), (E), or (F), such individual may be ordered to active duty to serve a period of time not less than 3 years and not more than the unexpired portion, as determined by the Secretary, of the service required by paragraph (1)(E). The Secretary, in consultation with the Secretary of Defense, shall determine in which service the individual shall be ordered to active duty to serve such period of time. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

"(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary may recover from the individual the cost of education provided and may reduce the amount to be recovered from such individual to reflect partial performance of service obligations and such other factors as the Secretary determines merit such a reduction."; and

(6) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following:

"(4) To aid in the recovery of the cost of education provided by the Federal Government pursuant to a commitment agreement under this section, the Secretary may request the Attorney General to begin court proceedings, and the Secretary may make use of the Federal debt collection procedures in chapter 176 of title 28, United States Code, or other applicable administrative remedies.".

(c) DEGREES AWARDED.—Section 1303(g) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(g)) is amended to read as follows:

"(g) DEGREES AWARDED.—

"(1) BACHELOR'S DEGREE.—The Superintendent of the Academy may confer the degree of bachelor of science upon any individual who has met the conditions prescribed by the Secretary and who, if a citizen of the United States, has passed the examination for a merchant marine officer's license. No individual may be denied a degree under this subsection because the individual is not permitted to take such examination solely because of physical disqualification.

"(2) MASTER'S DEGREE.—The Superintendent of the Academy may confer a master's degree upon any individual who has met the conditions prescribed by the Secretary. Any master's degree program may be funded through non-appropriated funds. In order to maintain the appropriate academic standards, the program shall be accredited by the appropriate accreditation body. The Secretary may make regulations necessary to administer such a program.".

(d) STUDENT INCENTIVE PAYMENTS.—Section 1304(g) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295c(g)) is amended—

(1) by striking "$3,000" in paragraph (1) and inserting "$4,000";

(2) in paragraph (3)(A) by striking "attending, unless the individual is separated by such academy;" and inserting "attending;";

(3) by striking paragraph (3)(C) and inserting the following:

"(C) to maintain a valid license as an officer in the merchant marine of the United States for at least 6 years following the date of graduation from such State maritime academy of such individual, accompanied by the appropriate national and international endorsements and certification as required by the United States Coast Guard for service aboard vessels on domestic and international voyages;";

(4) by striking paragraph (3)(E)(iii) and inserting the following:

"(iii) as a commissioned officer on active duty in an armed force of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration, or in other maritime-related employment with the Federal Government which serves the national security interests of the United States, as determined by the Secretary; or";

(5) by striking paragraph (4) and inserting the following:

"(4)(A) If the Secretary determines that an individual who has accepted the payment described in paragraph (1) for a minimum of 2 academic years has failed to fulfill the part of the agreement required by paragraph (1) and described in paragraph (3)(A), such individual may be ordered by the Secretary of Defense to active duty in the Armed Forces of the United States to serve for a period of time not to exceed 2 years. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

"(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the

Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary—

"(i) subject to clause (ii), may recover from the individual the amount of student incentive payments, plus interest and attorneys fees; and

"(ii) may reduce the amount to be recovered from such individual to reflect partial performance of service obligations and such other factors as the Secretary determines merit such reduction.";

(6) by striking paragraph (5) and inserting the following:

"(5)(A) If the Secretary determines that an individual has failed to fulfill any part of the agreement required by paragraph (1), as described in paragraph (3)(B), (C), (D), (E), or (F), such individual may be ordered to active duty to serve a period of time not less than 2 years and not more than the unexpired portion, as determined by the Secretary, of the service required by paragraph (3)(E). The Secretary, in consultation with the Secretary of Defense, shall determine in which service the individual shall be ordered to active duty to serve such period of time. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

"(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary—

"(i) subject to clause (ii), may recover from the individual the amount of student incentive payments, plus interest and attorneys fees; and

"(ii) may reduce the amount to be recovered from such individual to reflect partial performance of service obligations and such other factors as the Secretary determines merit such reduction."; and

(7) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and inserting after paragraph (5) the following:

"(6) To aid in the recovery of student incentive payments plus interest and attorneys fees the Secretary may request the Attorney General to begin court proceedings, and the Secretary may make use of the Federal debt collection procedures in chapter 176 of title 28, United States Code, and other applicable administrative remedies.".

(e) AWARDS AND MEDALS.—Section 1306 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295e) is amended by adding at the end the following:

"(d) AWARDS AND MEDALS.—The Secretary may establish and maintain a medals and awards program to recognize distinguished service, superior achievement, professional performance, and other commendable achievement by personnel of the United States Maritime Service.".

SEC. 3516. AUTHORITY TO CONVEY OBSOLETE VESSELS TO UNITED STATES TERRITORIES AND FOREIGN COUNTRIES FOR REEFING.

(a) DEADLINE FOR PREPARATION.—Paragraph (1) of section 3504(b) of the Bob Stump National Defense Authorization Act for

Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2754; 16 U.S.C. 1220 note) is amended by striking “September 30, 2003,” and inserting “March 31, 2004,”.

(b) GUIDANCE ON PRACTICES.—Such section is further amended—

(1) in paragraph (1), by inserting “guidance recommending” after “jointly develop”;

(2) in paragraph (2), by inserting “guidance recommending” before “environmental best management practices”;

(3) in paragraph (3)—

(A) in subparagraph (A), by inserting “recommended” after “include”;

(B) by striking subparagraph (B) and inserting the following new subparagraph (B):

“(B) promote consistent use of such practices nationwide;”; and

(C) in subparagraph (C), by striking “establish baselines” and inserting “provide a basis”; and

(4) in paragraph (4), by striking “guidelines to be used by” and inserting “guidance for”.

(c) APPLICATIONS FOR PREPARATION OF VESSELS AS REEFS.—Such section is further amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following new paragraph (5):

Deadline.

“(5) Not later than March 31, 2004, the Secretary of Transportation, acting through the Maritime Administration, and the Administrator of the Environmental Protection Agency shall jointly establish an application process for governments of States, commonwealths, and United States territories and possession, and foreign governments, for the preparation of vessels for use as artificial reefs, including documentation and certification requirements for that application process.”.

46 USC 53101 note.

SEC. 3517. MAINTENANCE AND REPAIR REIMBURSEMENT PILOT PROGRAM.

(a) AUTHORITY TO ENTER AGREEMENTS.—

(1) IN GENERAL.—The Secretary of Transportation may carry out a pilot program under which the Secretary may enter into an agreement with a contractor under chapter 531 of title 46, United States Code, as amended by this Act, regarding maintenance and repair of a vessel that is subject to an operating agreement under that chapter.

(2) LIMITATION.—The Secretary may not require a person to enter into an agreement under this section, including as a condition of awarding an operating agreement to the person under chapter 531 of title 46, United States Code, as amended by this Act.

(b) TERMS OF AGREEMENT.—An agreement under this section—

(1) shall require that except as provided in subsection (c), all qualified maintenance or repair on the vessel shall be performed in the United States;

(2) shall require that the Secretary shall reimburse the contractor in accordance with subsection (d) for the costs of qualified maintenance or repair performed in the United States; and

(3) shall apply to maintenance and repair performed during the 5-year period beginning on the date the vessel begins operating under the operating agreement under chapter 531 of title 46, United States Code.

(c) EXCEPTION TO REQUIREMENT TO PERFORM WORK IN THE UNITED STATES.—A contractor shall not be required to have qualified maintenance or repair work performed in the United States under this section, if the Secretary determines that—

(1) there is no facility in the United States available to perform the work; or

(2) there is not available to the Secretary sufficient funds to pay reimbursement under subsection (d) with respect to the work.

(d) REIMBURSEMENT.—

(1) IN GENERAL.—The Secretary shall, subject to the availability of appropriations, reimburse a contractor for costs incurred by the contractor for qualified maintenance or repair performed in the United States under this section.

(2) AMOUNT.—The amount of reimbursement shall be equal to 80 percent of the difference between—

(A) the fair and reasonable cost of obtaining the qualified maintenance or repair in the United States; and

(B) the fair and reasonable cost of obtaining the qualified maintenance or repair outside the United States, in the geographic region in which the vessel generally operates.

(3) DETERMINATION OF FAIR AND REASONABLE COSTS.—The Secretary shall determine fair and reasonable costs for purposes of paragraph (2).

(e) NOTIFICATION REQUIREMENTS.—

(1) NOTIFICATION BY CONTRACTOR.—The Secretary is not required to pay reimbursement to a contractor under this section for qualified maintenance or repair, unless the contractor—

(A) notifies the Secretary of the intent of the contractor to obtain the qualified maintenance or repair, by not later than 180 days before the date of the performance of the qualified maintenance or repair; and

(B) includes in such notification—

(i) a description of all qualified maintenance or repair that the contractor should reasonably expect may be performed;

(ii) an estimate of the cost of obtaining such qualified maintenance or repair in the United States; and

(iii) an estimate of the cost of obtaining such qualified maintenance or repair outside the United States, in the geographic region in which the vessel generally operates.

Deadline.

(2) CERTIFICATION BY SECRETARY.—Not later than 60 days after the date of receipt of notification under paragraph (1), the Secretary shall certify to the contractor—

(A) whether there is a facility in the United States available to perform the qualified maintenance or repair described in the notification by the contractor under paragraph (1); and

(B) whether there is available to the Secretary sufficient funds to pay reimbursement under subsection (d) with respect to such work.

(f) QUALIFIED MAINTENANCE OR REPAIR DEFINED.—In this section the term "qualified maintenance or repair"—

(1) except as provided in paragraph (2), means—

(A) any inspection of a vessel that is—

(i) required under chapter 33 of title 46, United States Code; and

(ii) performed in the period in which the vessel is subject to an agreement under this section; and

(B) any maintenance or repair of a vessel that is determined, in the course of an inspection referred to in subparagraph (A), to be necessary to comply with the laws of the United States; and

(2) does not include—

(A) routine maintenance or repair; or

(B) any emergency work that is necessary to enable a vessel to return to a port in the United States.

(g) ANALYSIS.—

Deadline.

(1) IN GENERAL.—Not later than October 1, 2004, the Secretary of Transportation shall submit to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate, an analysis of the need for agreements authorized by this section.

(2) CONDUCT AND CONSIDERATIONS.—In conducting the analysis, the Secretary shall consider the overall costs and benefits of the pilot program, including the following:

(A) The impact on operations of vessels in the program.

(B) The availability of repair shipyards and drydocks in the various regions of the United States (as that term is defined in such chapter) that are capable of handling such vessels that are ocean-going vessels.

(C) The experience of such shipyards in repairing the types of such vessels.

(D) A comparison of drydock and repair costs between available United States and foreign shipyards located within the geographic range of the trading area of such vessels.

(E) A comparison of the time period required for the drydocking and repair of such vessels between available United States shipyards and foreign shipyards.

(F) The impact of the voyage deviation of such vessels to United States shipyards.

(G) The benefits to the Department of Defense of having a vessel repair base in the United States to accelerate the activation of the Ready Reserve Fleet.

(H) The benefits of extending the program to all vessels that are subject to operating agreements under chapter 531 of title 46, United States Code, as amended by this Act.

(3) RECOMMENDATIONS.—The Secretary shall include in the analysis recommendations of any additional incentives that are necessary to encourage participation in the program.

(h) AUTHORIZATION OF APPROPRIATIONS.—In addition to the other amounts authorized by this subtitle, for reimbursement of costs of qualified maintenance or repair under this section there is authorized to be appropriated to the Secretary of Transportation $19,500,000 for each of fiscal years 2006 through 2011.

Subtitle B—Amendments to Title XI Loan Guarantee Program

SEC. 3521. EQUITY PAYMENTS BY OBLIGOR FOR DISBURSEMENT PRIOR TO TERMINATION OF ESCROW AGREEMENT.

(a) IN GENERAL.—Section 1108 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1279a) is amended by adding at the end the following:

"(g) PAYMENTS REQUIRED BEFORE DISBURSEMENT.—

"(1) IN GENERAL.—No disbursement shall be made under subsection (b) to any person until the total amount paid by or for the account of the obligor from sources other than the proceeds of the obligation equals at least 25 percent or 12½ percent, whichever is applicable under section 1104A, of the aggregate actual cost of the vessel, as previously approved by the Secretary. If the aggregate actual cost of the vessel has increased since the Secretary's initial approval or if it increases after the first disbursement is permitted under this subsection, then no further disbursements shall be made under subsection (b) until the total amount paid by or for the account of the obligor from sources other than the proceeds of the obligation equals at least 25 percent or 12½ percent, as applicable, of the increase, as determined by the Secretary, in the aggregate actual cost of the vessel. Nothing in this paragraph shall require the Secretary to consent to finance any increase in actual cost unless the Secretary determines that such an increase in the obligation meets all the terms and conditions of this title or other applicable law.

"(2) DOCUMENTED PROOF OF PROGRESS REQUIREMENT.—The Secretary shall, by regulation, establish a transparent, independent, and risk-based process for verifying and documenting the progress of projects under construction before disbursing guaranteed loan funds. At a minimum, the process shall require documented proof of progress in connection with the construction, reconstruction, or reconditioning of a vessel or vessels before disbursements are made from the escrow fund. The Secretary may require that the obligor provide a certificate from an independent party certifying that the requisite progress in construction, reconstruction, or reconditioning has taken place.".

(b) DEFINITION OF ACTUAL COST.—Section 1101(f) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271(f)) is amended to read as follows:

"(f) ACTUAL COST DEFINED.—The term 'actual cost' means the sum of—

"(1) all amounts paid by or for the account of the obligor as of the date on which a determination is made under section 1108(g)(1); and

"(2) all amounts that the Secretary reasonably estimates that the obligor will become obligated to pay from time to time thereafter, for the construction, reconstruction, or reconditioning of the vessel, including guarantee fees that will become payable under section 1104A(e) in connection with all obligations issued for construction, reconstruction, or reconditioning of the vessel or equipment to be delivered, and all obligations issued for the delivered vessel or equipment.".

SEC. 3522. WAIVERS OF PROGRAM REQUIREMENTS.

Section 1104A(d) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274(d)) is amended by redesignating paragraph (4) as paragraph (5), and inserting after paragraph (3) the following:

Regulations.

"(4) The Secretary shall promulgate regulations concerning circumstances under which waivers of or exceptions to otherwise applicable regulatory requirements concerning financial condition can be made. The regulations shall require that—

"(A) the economic soundness requirements set forth in paragraph (1)(A) of this subsection are met after the waiver of the financial condition requirement; and

"(B) the waiver shall provide for the imposition of other requirements on the obligor designed to compensate for the increased risk associated with the obligor's failure to meet regulatory requirements applicable to financial condition.".

SEC. 3523. PROJECT MONITORING.

(a) PROJECT MONITORING.—Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274) is amended by adding at the end the following:

"(k) MONITORING.—The Secretary shall monitor the financial conditions and operations of the obligor on a regular basis during the term of the guarantee. The Secretary shall document the results of the monitoring on an annual or quarterly basis depending upon the condition of the obligor. If the Secretary determines that the financial condition of the obligor warrants additional protections to the Secretary, then the Secretary shall take appropriate action under subsection (m) of this section. If the Secretary determines that the financial condition of the obligor jeopardizes its continued ability to perform its responsibilities in connection with the guarantee of obligations by the Secretary, the Secretary shall make an immediate determination whether default should take place and whether further measures described in subsection (m) should be taken to protect the interests of the Secretary while insuring that program objectives are met.".

(b) SEPARATION OF DUTIES AND OTHER REQUIREMENTS.—Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274), as amended by subsection (a), is further amended by adding at the end the following:

"(l) REVIEW OF APPLICATIONS.—No commitment to guarantee, or guarantee of, an obligation shall be made by the Secretary unless the Secretary certifies that a full and fair consideration of all the regulatory requirements, including economic soundness and financial requirements applicable to obligors and related parties, and a thorough assessment of the technical, economic, and financial aspects of the loan application has been made.

"(m) AGREEMENT WITH OBLIGOR.—The Secretary shall include provisions in loan agreements with obligors that provide additional authority to the Secretary to take action to limit potential losses in connection with defaulted loans or loans that are in jeopardy due to the deteriorating financial condition of obligors. Provisions that the Secretary shall include in loan agreements include requirements for additional collateral or greater equity contributions that are effective upon the occurrence of verifiable conditions relating to the obligors financial condition or the status of the vessel or shipyard project.".

SEC. 3524. DEFAULTS.

Section 1105 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1275) is amended by adding at the end the following:

"(f) DEFAULT RESPONSE.—In the event of default on an obligation, the Secretary shall conduct operations under this title in a manner which—

"(1) maximizes the net present value return from the sale or disposition of assets associated with the obligation, including prompt referral to the Attorney General for collection as appropriate;

"(2) minimizes the amount of any loss realized in the resolution of the guarantee;

"(3) ensures adequate competition and fair and consistent treatment of offerors; and

"(4) requires appraisal of assets by an independent appraiser.".

SEC. 3525. DECISION PERIOD.

Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274), as amended by section 3523, is amended by adding at the end the following:

"(n) DECISION PERIOD.—

"(1) IN GENERAL.—The Secretary of Transportation shall approve or deny an application for a loan guarantee under this title within 270 days after the date on which the signed application is received by the Secretary.

"(2) EXTENSION.—Upon request by an applicant, the Secretary may extend the 270-day period in paragraph (1) to a date not later than 2 years after the date on which the signed application for the loan guarantee was received by the Secretary.".

SEC. 3526. LOAN GUARANTEES.

Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274) is amended—

(1) by striking subsection (d)(5); and

(2) in subsection (f)—

(A) by striking "(including for obtaining independent analysis under subsection (d)(4))";

(B) by inserting "(1)" after "(f)"; and

(C) by adding at the end the following:

"(2) The Secretary may make a determination that aspects of an application under this title require independent analysis to be conducted by third party experts due to risk factors associated with markets, technology, financial structures, or other risk factors identified by the Secretary. Any independent analysis conducted pursuant to this provision shall be performed by a party chosen by the Secretary.

"(3) Notwithstanding any other provision of this title, the Secretary may make a determination that an application under this title requires additional equity because of increased risk factors associated with markets, technology, financial structures, or other risk factors identified by the Secretary.

"(4) The Secretary may charge and collect fees to cover the costs of independent analysis under paragraph (2). Notwithstanding section 3302 of title 31, United States Code, any fee collected under this paragraph shall—

"(A) be credit as an offsetting collection to the account that finances the administration of the loan guarantee program;

"(B) shall be available for expenditure only to pay the costs of activities and services for which the fee is imposed; and

"(C) shall remain available until expended.".

46 USC app. 1280*b*.

SEC. 3527. ANNUAL REPORT ON PROGRAM.

The Secretary of Transportation shall report to Congress annually on the loan guarantee program under title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.). The reports shall include—

(1) the size, in dollars, of the portfolio of loans guaranteed;

(2) the size, in dollars, of projects in the portfolio facing financial difficulties;

(3) the number and type of projects covered;

(4) a profile of pending loan applications;

(5) the amount of appropriations available for new guarantees;

(6) a profile of each project approved since the last report; and

(7) a profile of any defaults since the last report.

46 USC app. 1271 note.

SEC. 3528. REVIEW OF PROGRAM.

(a) IN GENERAL.—The Secretary of Transportation shall conduct a comprehensive assessment of the human capital and other resource needs in connection with the title XI loan guarantee program under the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.). In connection with this assessment, the Secretary shall develop an organizational framework for the program offices that insures that a clear separation of duties is established among the loan application, project monitoring, and default management functions.

(b) PROGRAM ENHANCEMENTS.—

(1) Section 1103(h)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273(h)(1)) is amended—

(A) by striking "subsection" in subparagraph (A) and inserting "subsection, and update annually,";

(B) by inserting "annually" before "determine" in subparagraph (B);

(C) by striking "and" after the semicolon in subparagraph (A);

(D) by striking "category." in subparagraph (B) and inserting "category; and"; and

(E) by adding at the end the following:

"(C) ensure that each risk category is comprised of loans that are relatively homogeneous in cost and share characteristics predictive of defaults and other costs, given the facts known at the time of obligation or commitment, using a risk category system that is based on historical analysis of program data and statistical evidence concerning the likely costs of defaults or other costs that expected to be associated with the loans in the category.".

(2) Section 1103(h)(2)(A) of that Act (46 U.S.C. App. 1273(h)(2)(A)) is amended by inserting "and annually for projects subject to a guarantee," after "obligation,".

(3) Section 1103(h)(3) of that Act (46 U.S.C. App. 1273(h)(3)) is amended by adding at the end the following:

“(K) A risk factor for concentration risk reflecting the risk presented by an unduly large percentage of loans outstanding by any 1 borrower or group of affiliated borrowers.”.

(c) REPORT.—The Secretary shall report to the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives on the results of the development of an organizational framework under subsection (a) by January 2, 2004.

Subtitle C—Maritime Security Fleet

SEC. 3531. ESTABLISHMENT OF MARITIME SECURITY FLEET.

(a) IN GENERAL.—Title 46, United States Code, is amended by inserting before subtitle VI the following new subtitle:

“Subtitle V—Merchant Marine

“Chap. Sec.
“531. Maritime Security Fleet 53101

“CHAPTER 531—MARITIME SECURITY FLEET

“Sec.
“53101. Definitions.
“53102. Establishment of Maritime Security Fleet.
“53103. Award of operating agreements.
“53104. Effectiveness of operating agreements.
“53105. Obligations and rights under operating agreements.
“53106. Payments.
“53107. National security requirements.
“53108. Regulatory relief.
“53109. Special rule regarding age of participating fleet vessel.
“53110. Regulations.
“53111. Authorization of appropriations.

“§ 53101. Definitions

“In this chapter:

“(1) BULK CARGO.—The term ‘bulk cargo’ means cargo that is loaded and carried in bulk without mark or count.

“(2) CONTRACTOR.—The term ‘contractor’ means an owner or operator of a vessel that enters into an operating agreement for the vessel with the Secretary under section 53103.

“(3) FLEET.—The term ‘Fleet’ means the Maritime Security Fleet established under section 53102(a).

“(4) FOREIGN COMMERCE.—The term ‘foreign commerce’—

“(A) subject to subparagraph (B), means—

“(i) commerce or trade between the United States, its territories or possessions, or the District of Columbia, and a foreign country; and

“(ii) commerce or trade between foreign countries; and

“(B) includes, in the case of liquid and dry bulk cargo carrying services, trading between foreign ports in accordance with normal commercial bulk shipping practices in such manner as will permit United States-documented vessels freely to compete with foreign-flag bulk carrying vessels in their operation or in competing for charters, subject to rules and regulations promulgated by the Secretary of

Transportation pursuant to this chapter or subtitle D of the Maritime Security Act of 2003.

"(5) LASH VESSEL.—The term 'LASH vessel' means a lighter aboard ship vessel.

"(6) PARTICIPATING FLEET VESSEL.—The term 'participating fleet vessel' means any vessel that—

"(A) on October 1, 2005—

"(i) meets the requirements of paragraph (1), (2), (3), or (4) of section 53102(c); and

"(ii) is less than 25 years of age, or less than 30 years of age in the case of a LASH vessel; and

"(B) on December 31, 2004, is covered by an operating agreement under subtitle B of title VI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187 et seq.).

"(7) PERSON.—The term 'person' includes corporations, partnerships, and associations existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof, or of any foreign country.

"(8) PRODUCT TANK VESSEL.—The term 'product tank vessel' means a double hulled tank vessel capable of carrying simultaneously more than 2 separated grades of refined petroleum products.

"(9) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

"(10) TANK VESSEL.—The term 'tank vessel' has the meaning that term has under section 2101 of this title.

"(11) UNITED STATES.—The term 'United States' includes the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, the Virgin Islands.

"(12) UNITED STATES CITIZEN TRUST.—(A) Subject to subparagraph (C), the term 'United States citizen trust' means a trust that is qualified under this paragraph.

"(B) A trust is qualified under this paragraph with respect to a vessel only if—

"(i) each of the trustees is a citizen of the United States; and

"(ii) the application for documentation of the vessel under chapter 121 of this title includes the affidavit of each trustee stating that the trustee is not aware of any reason involving a beneficiary of the trust that is not a citizen of the United States, or involving any other person that is not a citizen of the United States, as a result of which the beneficiary or other person would hold more than 25 percent of the aggregate power to influence or limit the exercise of the authority of the trustee with respect to matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States.

"(C) If any person that is not a citizen of the United States has authority to direct or participate in directing a trustee for a trust in matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States or in removing a trustee for a trust without cause, either directly or indirectly through the control of another person, the trust is not qualified under this paragraph unless the trust instrument provides that persons who are not citizens of the United States may not hold more than 25 percent of the aggregate authority to so direct or remove a trustee.

"(D) This paragraph shall not be considered to prohibit a person who is not a citizen of the United States from holding more than 25 percent of the beneficial interest in a trust.

"(13) UNITED STATES-DOCUMENTED VESSEL.—The term 'United States-documented vessel' means a vessel documented under chapter 121 of this title.

"§ 53102. Establishment of Maritime Security Fleet

"(a) IN GENERAL.—The Secretary of Transportation, in consultation with the Secretary of Defense, shall establish a fleet of active, commercially viable, militarily useful, privately owned vessels to meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The Fleet shall consist of privately owned, United States-documented vessels for which there are in effect operating agreements under this chapter, and shall be known as the Maritime Security Fleet.

"(b) VESSEL ELIGIBILITY.—A vessel is eligible to be included in the Fleet if—

"(1) the vessel meets the requirements of paragraph (1), (2), (3), or (4) of subsection (c);

"(2) the vessel is operated (or in the case of a vessel to be constructed, will be operated) in providing transportation in foreign commerce;

"(3) the vessel is self-propelled and is—

"(A) a roll-on/roll-off vessel with a carrying capacity of at least 80,000 square feet or 500 twenty-foot equivalent units and that is 15 years of age or less on the date the vessel is included in the Fleet;

"(B) a tank vessel that is constructed in the United States after the date of the enactment of this chapter;

"(C) a tank vessel that is 10 years of age or less on the date the vessel is included in the Fleet;

"(D) a LASH vessel that is 25 years of age or less on the date the vessel is included in the Fleet; or

"(E) any other type of vessel that is 15 years of age or less on the date the vessel is included in the Fleet;

"(4) the vessel is—

"(A) determined by the Secretary of Defense to be suitable for use by the United States for national defense or military purposes in time of war or national emergency; and

"(B) determined by the Secretary to be commercially viable; and

"(5) the vessel—

"(A) is a United States-documented vessel; or

"(B) is not a United States-documented vessel, but—

"(i) the owner of the vessel has demonstrated an intent to have the vessel documented under chapter 121 of this title if it is included in the Fleet; and

"(ii) at the time an operating agreement for the vessel is entered into under this chapter, the vessel is eligible for documentation under chapter 121 of this title.

"(c) Requirements Regarding Citizenship of Owners, Charterers, and Operators.—

"(1) Vessel owned and operated by section 2 citizens.—A vessel meets the requirements of this paragraph if, during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be owned and operated by one or more persons that are citizens of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802).

"(2) Vessel owned by section 2 citizen or United States citizen trust, and chartered to documentation citizen.—A vessel meets the requirements of this paragraph if—

"(A) during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be—

"(i) owned by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802) or that is a United States citizen trust; and

"(ii) demise chartered to a person—

"(I) that is eligible to document the vessel under chapter 121 of this title;

"(II) the chairman of the board of directors, chief executive officer, and a majority of the members of the board of directors of which are citizens of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802), and are appointed and subjected to removal only upon approval by the Secretary; and

"(III) that certifies to the Secretary that there are no treaties, statutes, regulations, or other laws that would prohibit the contractor for the vessel from performing its obligations under an operating agreement under this chapter;

"(B) in the case of a vessel that will be demise chartered to a person that is owned or controlled by another person that is not a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802), the other person enters into an agreement with the Secretary not to influence the operation of the vessel in a manner that will adversely affect the interests of the United States; and

"(C) the Secretary and the Secretary of Defense notify the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives that they concur with the certification required under subparagraph (A)(ii)(III), and have reviewed and agree that there are no other legal, operational, or other impediments that would prohibit the contractor for the vessel from performing its obligations under an operating agreement under this chapter.

"(3) Vessel owned and operated by defense contractor.—A vessel meets the requirements of this paragraph if—

"(A) during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be owned and operated by a person that—

"(i) is eligible to document a vessel under chapter 121 of this title;

"(ii) operates or manages other United States-documented vessels for the Secretary of Defense, or charters other vessels to the Secretary of Defense;

"(iii) has entered into a special security agreement for purposes of this paragraph with the Secretary of Defense;

"(iv) makes the certification described in paragraph (2)(A)(ii)(III); and

"(v) in the case of a vessel described in paragraph (2)(B), enters into an agreement referred to in that paragraph; and

"(B) the Secretary and the Secretary of Defense notify the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives that they concur with the certification required under subparagraph (A)(iv), and have reviewed and agree that there are no other legal, operational, or other impediments that would prohibit the contractor for the vessel from performing its obligations under an operating agreement under this chapter.

"(4) VESSEL OWNED BY DOCUMENTATION CITIZEN AND CHARTERED TO SECTION 2 CITIZEN.—A vessel meets the requirements of this paragraph if, during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be—

"(A) owned by a person that is eligible to document a vessel under chapter 121 of this title; and

"(B) demise chartered to a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802).

"(d) REQUEST BY SECRETARY OF DEFENSE.—The Secretary of Defense shall request the Secretary of Homeland Security to issue any waiver under the first section of Public Law 81–891 (64 Stat. 1120; 46 U.S.C. App. note prec. 3) that is necessary for purposes of this chapter.

"(e) VESSEL STANDARDS.—

"(1) CERTIFICATE OF INSPECTION.—A vessel used to provide oceangoing transportation which the Secretary of the department in which the Coast Guard is operating determines meets the criteria of subsection (b) of this section but which, on the date of enactment of the Maritime Security Act of 2003, is not a documented vessel (as that term is defined in section 12101 of this title) shall be eligible for a certificate of inspection if the Secretary determines that—

"(A) the vessel is classed by and designed in accordance with the rules of the American Bureau of Shipping, or another classification society accepted by the Secretary;

"(B) the vessel complies with applicable international agreements and associated guidelines, as determined by the country in which the vessel was documented immediately before becoming a documented vessel (as defined in that section); and

"(C) that country has not been identified by the Secretary as inadequately enforcing international vessel regulations as to that vessel.

"(2) CONTINUED ELIGIBILITY FOR CERTIFICATE.—Paragraph (1) does not apply to a vessel after any date on which the vessel fails to comply with the applicable international agreements and associated guidelines referred to in paragraph (1)(B).

"(3) RELIANCE ON CLASSIFICATION SOCIETY.—

"(A) IN GENERAL.—The Secretary may rely on a certification from the American Bureau of Shipping or, subject to subparagraph (B), another classification society accepted by the Secretary to establish that a vessel is in compliance with the requirements of paragraphs (1) and (2).

"(B) FOREIGN CLASSIFICATION SOCIETY.—The Secretary may accept certification from a foreign classification society under subparagraph (A) only—

"(i) to the extent that the government of the foreign country in which the society is headquartered provides access on a reciprocal basis to the American Bureau of Shipping; and

"(ii) if the foreign classification society has offices and maintains records in the United States.

"(f) WAIVER OF AGE RESTRICTION.—The Secretary of Defense, in conjunction with the Secretary of Transportation, may waive the application of an age restriction under subsection (b)(3) if the Secretaries jointly determine that the waiver—

"(1) is in the national interest;

"(2) is appropriate to allow the maintenance of the economic viability of the vessel and any associated operating network; and

"(3) is necessary due to the lack of availability of other vessels and operators that comply with the requirements of this chapter.

"§ 53103. Award of operating agreements

"(a) IN GENERAL.—The Secretary shall require, as a condition of including any vessel in the Fleet, that the person that is the owner or operator of the vessel for purposes of section 53102(c) enter into an operating agreement with the Secretary under this section.

Deadlines.

"(b) PROCEDURE FOR APPLICATIONS.—

"(1) ACCEPTANCE OF APPLICATIONS.—Beginning no later than 30 days after the effective date of this chapter, the Secretary shall accept applications for enrollment of vessels in the Fleet.

"(2) ACTION ON APPLICATIONS.—Within 90 days after receipt of an application for enrollment of a vessel in the Fleet, the Secretary shall approve the application in conjunction with the Secretary of Defense, and shall enter into an operating agreement with the applicant, or provide in writing the reason for denial of that application.

"(3) PARTICIPATING FLEET VESSELS.—

"(A) IN GENERAL.—The Secretary shall accept an application for an operating agreement for a participating fleet vessel under the priority under subsection (c)(1)(B) only from a person that has authority to enter into an operating agreement for the vessel with respect to the full term of the operating agreement.

"(B) VESSEL UNDER DEMISE CHARTER.—For purposes of subparagraph (A), in the case of a vessel that is subject to a demise charter that terminates by its terms on September 30, 2005 (without giving effect to any extension provided therein for completion of a voyage or to effect the actual redelivery of the vessel), or that is terminable at will by the owner of the vessel after such date, only the owner of the vessel shall be treated as having the authority referred to in paragraph (1).

"(C) VESSEL OWNED BY UNITED STATES CITIZEN TRUST.—For purposes of subparagraph (B), in the case of a vessel owned by a United States citizen trust, the term 'owner of the vessel' includes a beneficial owner of the vessel with respect to such trust.

"(c) PRIORITY FOR AWARDING AGREEMENTS.—

"(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall enter into operating agreements according to the following priority:

"(A) NEW TANK VESSELS.—First, for any tank vessel that—

"(i) is constructed in the United States after the effective date of this chapter;

"(ii) is eligible to be included in the Fleet under section 53102(b); and

"(iii) during the period of an operating agreement under this chapter that applies to the vessel, will be owned and operated by one or more persons that are citizens of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802),

except that the Secretary shall not enter into operating agreements under this subparagraph for more than 5 such vessels.

"(B) PARTICIPATING FLEET VESSELS.—Second, to the extent amounts are available after applying subparagraphs (A), for any participating fleet vessel, except that the Secretary shall not enter into operating agreements under this subparagraph for more than 47 vessels.

"(C) CERTAIN VESSELS OPERATED BY SECTION 2 CITIZENS.—Third, to the extent amounts are available after applying subparagraphs (A) and (B), for any other vessel that is eligible to be included in the Fleet under section 53102(b), and that, during the period of an operating agreement under this chapter that applies to the vessel, will be—

"(i) owned and operated by one or more persons that are citizens of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802); or

"(ii) owned by a person that is eligible to document the vessel under chapter 121 of this title, and operated by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802).

"(D) OTHER ELIGIBLE VESSELS.—Fourth, to the extent amounts are available after applying subparagraphs (A), (B), and (C), for any other vessel that is eligible to be included in the Fleet under section 53102(b).

"(2) REDUCTION IN NUMBER OF SLOTS FOR PARTICIPATING FLEET VESSELS.—The number in paragraph (1)(B) shall be reduced by 1—

"(A) for each participating fleet vessel for which an application for enrollment in the Fleet is not received by the Secretary within the 90-day period beginning on the effective date of this chapter; and

"(B) for each participating fleet vessel for which an application for enrollment in the Fleet received by the Secretary is not approved by the Secretary and the Secretary of Defense within the 90-day period beginning on the date of such receipt.

"(3) DISCRETION WITHIN PRIORITY.—The Secretary—

"(A) subject to subparagraph (B), may award operating agreements within each priority under paragraph (1) as the Secretary considers appropriate; and

"(B) shall award operating agreement within a priority—

"(i) in accordance with operational requirements specified by the Secretary of Defense;

"(ii) in the case of operating agreements awarded under subparagraph (C) or (D) of paragraph (1), according to applicants' records of owning and operating vessels; and

"(iii) subject to the approval of the Secretary of Defense.

"(4) TREATMENT OF TANK VESSEL TO BE REPLACED.—(A) For purposes of the application of paragraph (1)(A) with respect to the award of an operating agreement, the Secretary may treat an existing tank vessel that is eligible to be included in the Fleet under section 53102(b) as a vessel that is constructed in the United States after the effective date of this chapter, if—

"(i) a binding contract for construction in the United States of a replacement vessel to be operated under the operating agreement is executed by not later than 9 months after the first date amounts are available to carry out this chapter; and

"(ii) the replacement vessel is eligible to be included in the Fleet under section 53102(b).

"(B) No payment under this chapter may be made for an existing tank vessel for which an operating agreement is awarded under this paragraph after the earlier of—

"(i) 4 years after the first date amounts are available to carry out this chapter; or

"(ii) the date of delivery of the replacement tank vessel.

"(d) LIMITATION.—The Secretary may not award operating agreements under this chapter that require payments under section 53106 for a fiscal year for more than 60 vessels.

"§ 53104. Effectiveness of operating agreements

"(a) EFFECTIVENESS, GENERALLY.—The Secretary may enter into an operating agreement under this chapter for fiscal year

2006. Except as provided in subsection (b), the agreement shall be effective only for 1 fiscal year, but shall be renewable, subject to the availability of appropriations, for each subsequent fiscal year through the end of fiscal year 2015.

"(b) VESSELS UNDER CHARTER TO UNITED STATES.—Unless an earlier date is requested by the applicant, the effective date for an operating agreement with respect to a vessel that is, on the date of entry into an operating agreement, on charter to the United States Government, other than a charter pursuant to an Emergency Preparedness Agreement under section 53107, shall be the expiration or termination date of the Government charter covering the vessel, or any earlier date the vessel is withdrawn from that charter.

"(c) TERMINATION.—

"(1) TERMINATION BY SECRETARY.—If the contractor with respect to an operating agreement materially fails to comply with the terms of the agreement—

"(A) the Secretary shall notify the contractor and provide a reasonable opportunity to comply with the operating agreement;

"(B) the Secretary shall terminate the operating agreement if the contractor fails to achieve such compliance; and

"(C) upon such termination, any funds obligated by the agreement shall be available to the Secretary to carry out this chapter.

"(2) EARLY TERMINATION BY CONTRACTOR, GENERALLY.—An operating agreement under this chapter shall terminate on a date specified by the contractor if the contractor notifies the Secretary, by not later than 60 days before the effective date of the termination, that the contractor intends to terminate the agreement.

"(3) EARLY TERMINATION BY CONTRACTOR, WITH AVAILABLE REPLACEMENT.—An operating agreement under this chapter shall terminate upon the expiration of the 3-year period beginning on the date a vessel begins operating under the agreement, if—

"(A) the contractor notifies the Secretary, by not later than 2 years after the date the vessel begins operating under the agreement, that the contractor intends to terminate the agreement under this paragraph; and

"(B) the Secretary, in conjunction with the Secretary of Defense, determines that—

"(i) an application for an operating agreement under this chapter has been received for a replacement vessel that is acceptable to the Secretaries; and

"(ii) during the period of an operating agreement under this chapter that applies to the replacement vessel, the replacement vessel will be—

"(I) owned and operated by one or more persons that are citizens of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802); or

"(II) owned by a person that is eligible to document the vessel under chapter 121 of this title, and operated by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802).

"(d) NONRENEWAL FOR LACK OF FUNDS.—If, by the first day of a fiscal year, sufficient funds have not been appropriated under the authority provided by this chapter for that fiscal year, then the Secretary shall notify the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives that operating agreements authorized under this chapter for which sufficient funds are not available will not be renewed for that fiscal year if sufficient funds are not appropriated by the 60th day of that fiscal year.

"(e) RELEASE OF VESSELS FROM OBLIGATIONS.—If an operating agreement under this chapter is terminated under subsection (c)(3), or if funds are not appropriated for payments under an operating agreement under this chapter for any fiscal year by the 60th day of that fiscal year, then—

"(1) each vessel covered by the operating agreement is thereby released from any further obligation under the operating agreement;

"(2) the owner or operator of the vessel may transfer and register such vessel under a foreign registry that is acceptable to the Secretary of Transportation and the Secretary of Defense, notwithstanding section 9 of the Shipping Act, 1916 (46 U.S.C. App. 808); and

"(3) if section 902 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1242) is applicable to such vessel after registration of the vessel under such a registry, then the vessel is available to be requisitioned by the Secretary of Transportation pursuant to section 902 of such Act.

"§ 53105. Obligations and rights under operating agreements

"(a) OPERATION OF VESSEL.—An operating agreement under this chapter shall require that, during the period a vessel is operating under the agreement—

"(1) the vessel—

"(A) shall be operated exclusively in the foreign commerce or in mixed foreign commerce and domestic trade allowed under a registry endorsement issued under section 12105 of this title; and

"(B) shall not otherwise be operated in the coastwise trade; and

"(2) the vessel shall be documented under chapter 121 of this title.

"(b) ANNUAL PAYMENTS BY SECRETARY.—

"(1) IN GENERAL.—An operating agreement under this chapter shall require, subject to the availability of appropriations, that the Secretary make a payment each fiscal year to the contractor in accordance with section 53106.

"(2) OPERATING AGREEMENT IS OBLIGATION OF UNITED STATES GOVERNMENT.—An operating agreement under this chapter constitutes a contractual obligation of the United States Government to pay the amounts provided for in the agreement to the extent of actual appropriations.

"(c) DOCUMENTATION REQUIREMENT.—Each vessel covered by an operating agreement (including an agreement terminated under section 53104(c)(2)) shall remain documented under chapter 121 of this title, until the date the operating agreement would terminate according to its terms.

“(d) National Security Requirements.—

“(1) In general.—A contractor with respect to an operating agreement (including an agreement terminated under section 53104(c)(2)) shall continue to be bound by the provisions of section 53107 until the date the operating agreement would terminate according to its terms.

“(2) Emergency preparedness agreement.—All terms and conditions of an Emergency Preparedness Agreement entered into under section 53107 shall remain in effect until the date the operating agreement would terminate according to its terms, except that the terms of such Emergency Preparedness Agreement may be modified by the mutual consent of the contractor, the Secretary of Transportation, and the Secretary of Defense.

“(e) Transfer of Operating Agreements.—A contractor under an operating agreement may transfer the agreement (including all rights and obligations under the agreement) to any person that is eligible to enter into that operating agreement under this chapter, if the transfer is approved by the Secretary and the Secretary of Defense.

“(f) Replacement Vessel.—A contractor may replace a vessel under an operating agreement with another vessel that is eligible to be included in the Fleet under section 53102(b), if the Secretary, in conjunction with the Secretary of Defense, approve replacement of the vessel.

“§ 53106. Payments

“(a) Annual payment.—

“(1) In general.—The Secretary, subject to the availability of appropriations and the other provisions of this section, shall pay to the contractor for an operating agreement, for each vessel that is covered by the operating agreement, an amount equal to—

“(A) $2,600,000 for each of fiscal years 2006, 2007, and 2008;

“(B) $2,900,000, for each of fiscal years 2009, 2010, and 2011; and

“(C) $3,100,000 for each fiscal years 2012, 2013, 2014, and 2015.

“(2) Timing.—The amount shall be paid in equal monthly installments at the end of each month. The amount shall not be reduced except as provided by this section.

“(b) Certification Required for Payment.—As a condition of receiving payment under this section for a fiscal year for a vessel, the contractor for the vessel shall certify, in accordance with regulations issued by the Secretary, that the vessel has been and will be operated in accordance with section 53105(a)(1) for at least 320 days in the fiscal year. Days during which the vessel is drydocked, surveyed, inspected, or repaired shall be considered days of operation for purposes of this subsection.

“(c) General Limitations.—The Secretary of Transportation shall not make any payment under this chapter for a vessel with respect to any days for which the vessel is—

“(1) under a charter to the United States Government, other than a charter pursuant to an Emergency Preparedness Agreement under section 53107;

"(2) not operated or maintained in accordance with an operating agreement under this chapter; or

"(3) more than—

"(A) 25 years of age, except as provided in subparagraph (B) or (C);

"(B) 20 years of age, in the case of a tank vessel; or

"(C) 30 years of age, in the case of a LASH vessel.

"(d) REDUCTIONS IN PAYMENTS.—With respect to payments under this chapter for a vessel covered by an operating agreement, the Secretary—

"(1) except as provided in paragraph (2), shall not reduce any payment for the operation of the vessel to carry military or other preference cargoes under section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 U.S.C. App. 1241–1), section 901(a), 901(b), or 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(a), 1241(b), or 1241f), or any other cargo preference law of the United States;

"(2) shall not make any payment for any day that the vessel is engaged in transporting more than 7,500 tons of civilian bulk preference cargoes pursuant to section 901(a), 901(b), or 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(a), 1241(b), or 1241f), that is bulk cargo; and

"(3) shall make a pro rata reduction in payment for each day less than 320 in a fiscal year that the vessel is not operated in accordance with section 53105(a)(1), with days during which the vessel is drydocked or undergoing survey, inspection, or repair considered to be days on which the vessel is operated.

"(e) LIMITATION REGARDING NONCONTIGUOUS DOMESTIC TRADE.—

"(1) IN GENERAL.—No contractor shall receive payments pursuant to this chapter during a period in which it participates in noncontiguous domestic trade.

"(2) LIMITATION ON APPLICATION.—Paragraph (1) shall not apply to any person that is a citizen of the United States within the meaning of section 2(c) of the Shipping Act, 1916 (46 U.S.C. App. 802(c)).

"(3) PARTICIPATES IN A NONCONTIGUOUS DOMESTIC TRADE DEFINED.—In this subsection the term 'participates in a noncontiguous domestic trade' means directly or indirectly owns, charters, or operates a vessel engaged in transportation of cargo between a point in the contiguous 48 States and a point in Alaska, Hawaii, or Puerto Rico, other than a point in Alaska north of the Arctic Circle.

"§ 53107. National security requirements

"(a) EMERGENCY PREPAREDNESS AGREEMENT REQUIRED.—The Secretary shall establish an Emergency Preparedness Program under this section that is approved by the Secretary of Defense. Under the program, the Secretary, in conjunction with the Secretary of Defense, shall include in each operating agreement under this chapter a requirement that the contractor enter into an Emergency Preparedness Agreement under this section with the Secretary. The Secretary shall negotiate and enter into an Emergency Preparedness Agreement with each contractor as promptly as practicable after the contractor has entered into an operating agreement under this chapter.

"(b) TERMS OF AGREEMENT.—

"(1) IN GENERAL.—An Emergency Preparedness Agreement under this section shall require that upon a request by the Secretary of Defense during time of war or national emergency, or whenever determined by the Secretary of Defense to be necessary for national security or contingency operation (as that term is defined in section 101 of title 10, United States Code), a contractor for a vessel covered by an operating agreement under this chapter shall make available commercial transportation resources (including services).

"(2) BASIC TERMS.—(A) The basic terms of the Emergency Preparedness Agreement shall be established (subject to subparagraph (B)) by the Secretary and the Secretary of Defense.

"(B) In any Emergency Preparedness Agreement, the Secretary and a contractor may agree to additional or modifying terms appropriate to the contractor's circumstances if those terms have been approved by the Secretary of Defense.

"(c) PARTICIPATION AFTER EXPIRATION OF OPERATING AGREEMENT.—Except as provided by section 53105(d), the Secretary may not require, through an Emergency Preparedness Agreement or operating agreement, that a contractor continue to participate in an Emergency Preparedness Agreement after the operating agreement with the contractor has expired according to its terms or is otherwise no longer in effect. After expiration of an Emergency Preparedness Agreement, a contractor may volunteer to continue to participate in such an agreement.

"(d) RESOURCES MADE AVAILABLE.—The commercial transportation resources to be made available under an Emergency Preparedness Agreement shall include vessels or capacity in vessels, intermodal systems and equipment, terminal facilities, intermodal and management services, and other related services, or any agreed portion of such nonvessel resources for activation as the Secretary of Defense may determine to be necessary, seeking to minimize disruption of the contractor's service to commercial shippers.

"(e) COMPENSATION.—

"(1) IN GENERAL.—The Secretary shall include in each Emergency Preparedness Agreement provisions approved by the Secretary of Defense under which the Secretary of Defense shall pay fair and reasonable compensation for all commercial transportation resources provided pursuant to this section.

"(2) SPECIFIC REQUIREMENTS.—Compensation under this subsection—

"(A) shall not be less than the contractor's commercial market charges for like transportation resources;

"(B) shall be fair and reasonable considering all circumstances;

"(C) shall be provided from the time that a vessel or resource is required by the Secretary of Defense until the time that it is redelivered to the contractor and is available to reenter commercial service; and

"(D) shall be in addition to and shall not in any way reflect amounts payable under section 53106.

"(f) TEMPORARY REPLACEMENT VESSELS.—Notwithstanding section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 U.S.C. App. 1241–1), section 901(a), 901(b), or 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(a), 1241(b), or 1241f), or any other cargo preference law of the United States—

"(1) a contractor may operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity as a temporary replacement for a United States-documented vessel or United States-documented vessel capacity that is activated by the Secretary of Defense under an Emergency Preparedness Agreement or under a primary Department of Defense-approved sealift readiness program; and

"(2) such replacement vessel or vessel capacity shall be eligible during the replacement period to transport preference cargoes subject to section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 U.S.C. App. 1241–1), and sections 901(a), 901(b), and 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(a), 1241(b), and 1241b) to the same extent as the eligibility of the vessel or vessel capacity replaced.

"(g) REDELIVERY AND LIABILITY OF UNITED STATES FOR DAMAGES.—

"(1) IN GENERAL.—All commercial transportation resources activated under an Emergency Preparedness Agreement shall, upon termination of the period of activation, be redelivered to the contractor in the same good order and condition as when received, less ordinary wear and tear, or the Secretary of Defense shall fully compensate the contractor for any necessary repair or replacement.

"(2) LIMITATION ON LIABILITY OF U.S.—Except as may be expressly agreed to in an Emergency Preparedness Agreement, or as otherwise provided by law, the Government shall not be liable for disruption of a contractor's commercial business or other consequential damages to a contractor arising from activation of commercial transportation resources under an Emergency Preparedness Agreement.

"§ 53108. Regulatory relief

"(a) OPERATION IN FOREIGN COMMERCE.—A contractor for a vessel included in an operating agreement under this chapter may operate the vessel in the foreign commerce of the United States without restriction.

"(b) OTHER RESTRICTIONS.—The restrictions of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b)(1)) concerning the building, rebuilding, or documentation of a vessel in a foreign country shall not apply to a vessel for any day the operator of that vessel is receiving payments for operation of that vessel under an operating agreement under this chapter.

"(c) TELECOMMUNICATIONS EQUIPMENT.—The telecommunications and other electronic equipment on an existing vessel that is redocumented under the laws of the United States for operation under an operating agreement under this chapter shall be deemed to satisfy all Federal Communications Commission equipment certification requirements, if—

"(1) such equipment complies with all applicable international agreements and associated guidelines as determined by the country in which the vessel was documented immediately before becoming documented under the laws of the United States;

"(2) that country has not been identified by the Secretary as inadequately enforcing international regulations as to that vessel; and

"(3) at the end of its useful life, such equipment will be replaced with equipment that meets Federal Communications Commission equipment certification standards.

"§ 53109. Special rule regarding age of participating fleet vessel

"Any age restriction under section 53102(b)(3) or 53106(c)(3) shall not apply to a participating fleet vessel during the 30-month period beginning on the date the vessel begins operating under an operating agreement under this title, if the Secretary determines that the contractor for the vessel has entered into an arrangement to obtain and operate under the operating agreement for the participating fleet vessel a replacement vessel that, upon commencement of such operation, will be eligible to be included in the Fleet under section 53102(b).

"§ 53110. Regulations

"The Secretary and the Secretary of Defense may each prescribe rules as necessary to carry out their respective responsibilities under this chapter.

"§ 53111. Authorization of appropriations

"There are authorized to be appropriated for payments under section 53106, to remain available until expended—

"(1) $156,000,000 for each of fiscal years 2006, 2007, and 2008;

"(2) $174,000,000 for each of fiscal years 2009, 2010, and 2011; and

"(3) $186,000,000 for each fiscal year thereafter through fiscal year 2015.".

(b) CONFORMING AMENDMENT.—The table of subtitles at the beginning of title 46, United States Code, is amended by inserting before the item relating to chapter VI the following:

"V. MERCHANT MARINE ....53101".

SEC. 3532. RELATED AMENDMENTS TO EXISTING LAW.

(a) AMENDMENT TO SHIPPING ACT, 1916.—Section 9 of the Shipping Act, 1916 (46 U.S.C. App. 808) is amended—

(1) by redesignating subsection (e), as added by section 1136(b) of Public Law 104–324 (110 Stat. 3987), as subsection (f); and

(2) by amending subsection (e), as added by section 6 of Public Law 104–239 (110 Stat. 3132), to read as follows:

"(e) Notwithstanding subsection (c)(2), the Merchant Marine Act, 1936, or any contract entered into with the Secretary of Transportation under that Act, a vessel may be placed under a foreign registry, without approval of the Secretary, if—

"(1)(A) the Secretary, in conjunction with the Secretary of Defense, determines that at least one replacement vessel of equal or greater military capability and of a capacity that is equivalent or greater, as measured by deadweight tons, gross tons, or container equivalent units, as appropriate, is documented under chapter 121 of title 46, United States Code, by the owner of the vessel placed under the foreign registry; and

"(B) the replacement vessel is not more than 10 years of age on the date of that documentation; or

"(2) an operating agreement covering the vessel under chapter 531 of title 46, United States Code, has expired.".

46 USC app. 1162.

(b) MERCHANT MARINE ACT, 1936.—Section 512 of the Merchant Marine Act, 1936 (46 U.S.C. 1162) is amended—

(1) by striking "Notwithstanding" and inserting "(a) Except as provided in subsection (b), notwithstanding"; and

(2) by adding at the end the following:

"(b)(1) Except as provided in paragraph (2), the restrictions and requirements of section 506 shall terminate upon the expiration of the 20-year period beginning on the date of the original delivery of the vessel from the shipyard for operation of a vessel in any domestic trade in which it has operated at any time since 1996.

"(2) Paragraph (1) shall not affect any requirement to make payments under section 506.".

46 USC 53110 note.

SEC. 3533. INTERIM RULES.

The Secretary of Transportation and the Secretary of Defense may each prescribe interim rules necessary to carry out their respective responsibilities under this subtitle and the amendments made by this subtitle. For this purpose, the Secretaries are excepted from compliance with the notice and comment requirements of section 553 of title 5, United States Code. All interim rules prescribed under the authority of this section that are not earlier superseded by final rules shall expire no later than 270 days after the effective date of this subtitle.

SEC. 3534. REPEALS AND CONFORMING AMENDMENTS.

(a) REPEALS.—The following provisions are repealed:

46 USC app. 1187–1187e.

(1) Subtitle B of title VI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187 et seq.).

(2) Section 804 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1222).

(b) CONFORMING AMENDMENTS.—

(1) Section 12102(d)(4) of title 46, United States Code, is amended by inserting "or chapter 531 of title 46, United States Code" after "Merchant Marine Act, 1936".

(2) Section 1137 of Public Law 104–324 (46 U.S.C. App. 1187 note) is amended by striking "section 651(b) of the Merchant Marine Act, 1936" and inserting "section 53102(b) of title 46, United States Code".

SEC. 3535. GAO STUDY OF ADJUSTMENT OF OPERATING AGREEMENT PAYMENT CRITERIA.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the potential impact of amending section 53106 of title 46, United States Code, as amended by this Act—

(1) to increase or decrease the 7,500 ton limitation;

(2) to apply the limitation to bagged cargo as well as bulk cargo; and

(3) to so modify the tonnage limitation and apply it to bagged cargo as well as bulk cargo.

(b) MATTERS TO BE ADDRESSED.—

(1) SPECIFIC IMPACTS.—As part of the study required by subsection (a), the Comptroller General shall address, in particular, the impact of such amendments on—

(A) the Maritime Security Fleet established under chapter 531 of title 46, United States Code, as amended by this Act;

(B) the civilian bulk cargo preference program under section 901(a), 901(b), or 901b of such Act (46 U.S.C. App. 1241(a), 1241(b), and 1241f); and

(C) operations of vessels under sections 901a through 901k of such Act (46 U.S.C. App. 1241e through 1241o, the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)), or any other statute in pari materia.

(2) CERTAIN ASPECTS.—In carrying out paragraph (1), the Comptroller General shall consider, among other matters—

(A) increased or decreased costs to the overall cargo preference program, including transportation costs (for both land and water transportation);

(B) effects on ports;

(C) the number of shipments that would be affected;

(D) increased or decreased administrative and compliance burdens for carriers and Federal agencies; and

(E) increases or decreases in the number of United States-flag operators participating in the cargo preference program.

(3) BALANCING BENEFITS.—In the study, the Comptroller General shall also address whether and how such amendments could result in achieving an appropriate balance of benefits between participants in the Maritime Security Fleet program and participants in the cargo preference program.

(c) REPORT.—The Comptroller General shall transmit a report of the study, including findings, conclusions, and recommendations (including legislative recommendations, if any), to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate within 9 months after the date of the enactment of this Act.

(d) AUTHORITY.—In order to conduct the study required by subsection (a), the Comptroller General, or any of the Comptroller General's duly authorized representatives, shall have access to any books, accounts, documents, papers, and records that relate to the information required to complete the study of owners or operators of vessels—

(1) under operating agreements under subtitle B of title VI of the Merchant Marine Act, 1936 (46 U.S.C. App. 651 et seq.) or chapter 531 of title 46, United States Code, as amended by this Act; and

(2) that accept bulk cargo subject to the cargo preference laws of the United States.

SEC. 3536. DEFINITIONS.

In this subtitle, the definitions set forth in section 53101 of title 46, United States Code, as amended by this Act, shall apply.

SEC. 3537. EFFECTIVE DATES.

46 USC 53101 note.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), this subtitle shall take effect October 1, 2004.

(b) REPEALS AND CONFORMING AMENDMENTS.—Section 3534 shall take effect October 1, 2005.

(c) OTHER PROVISIONS.—Sections 3533, 3535, and this section shall take effect on the date of the enactment of this Act.

Subtitle D—National Defense Tank Vessel Construction Assistance

46 USC 53101 note.

SEC. 3541. NATIONAL DEFENSE TANK VESSEL CONSTRUCTION PROGRAM.

Establishment.

The Secretary of Transportation shall establish a program for the provision of financial assistance for the construction in the United States of a fleet of up to 5 privately owned product tank vessels—

(1) to be operated in commercial service in foreign commerce; and

(2) to be available for national defense purposes in time of war or national emergency pursuant to an Emergency Preparedness Plan approved by the Secretary of Defense pursuant to section 3543(e).

46 USC 53101 note.

SEC. 3542. APPLICATION PROCEDURE.

(a) REQUEST FOR PROPOSALS.—Within 90 days after the date of the enactment of this subtitle, and on an as-needed basis thereafter, the Secretary, in consultation with the Secretary of Defense, shall publish in the Federal Register a request for competitive proposals for the construction of new product tank vessels necessary to meet the commercial and national security needs of the United States and to be built with assistance under this subtitle.

(b) QUALIFICATION.—Any citizen of the United States or any shipyard in the United States may submit a proposal to the Secretary of Transportation for purposes of constructing a product tank vessel with assistance under this subtitle.

(c) REQUIREMENT.—The Secretary, with the concurrence of the Secretary of Defense, may enter into an agreement with the submitter of a proposal for assistance under this subtitle if the Secretary determines that—

(1) the plans and specifications call for construction of a new product tank vessel of not less than 35,000 deadweight tons and not greater than 60,000 deadweight tons, that—

(A) will meet the requirements of foreign commerce;

(B) is capable of carrying militarily useful petroleum products, and will be suitable for national defense or military purposes in time of war, national emergency, or other military contingency; and

(C) will meet the construction standards necessary to be documented under the laws of the United States;

(2) the shipyard in which the vessel will be constructed has the necessary capacity and expertise to successfully construct the proposed number and type of product tank vessels in a reasonable period of time as determined by the Secretary of Transportation, taking into consideration the recent prior commercial shipbuilding history of the proposed shipyard in delivering a vessel or series of vessels on time and in accordance with the contract price and specifications; and

(3) the person proposed to be the operator of the proposed vessel possesses the ability, experience, financial resources, and any other qualifications determined to be necessary by the Secretary for the operation and maintenance of the vessel.

(d) PRIORITY.—The Secretary—

(1) subject to paragraph (2), shall give priority consideration to a proposal submitted by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802); and

(2) may give priority to consideration of proposals that provide the best value to the Government, taking into consideration—

(A) the costs of vessel construction; and

(B) the commercial and national security needs of the United States.

SEC. 3543. AWARD OF ASSISTANCE.

46 USC 53101 note.

(a) IN GENERAL.—If after review of a proposal, the Secretary determines that the proposal fulfills the requirements under this subtitle, the Secretary may enter into a contract with the proposed purchaser and the proposed shipyard for the construction of a product tank vessel with assistance under this subtitle.

(b) AMOUNT OF ASSISTANCE.—The contract shall provide that the Secretary shall pay, subject to the availability of appropriations, up to 75 percent of the actual construction cost of the vessel, but in no case more than $50,000,000 per vessel.

(c) CONSTRUCTION IN UNITED STATES.—A contract under this section shall require that construction of a vessel with assistance under this subtitle shall be performed in a shipyard in the United States.

(d) DOCUMENTATION OF VESSEL.—

(1) CONTRACT REQUIREMENT.—A contract under this section shall require that, upon delivery of a vessel constructed with assistance under the contract, the vessel shall be documented under chapter 121 of title 46, United States Code, with a registry endorsement only.

(2) RESTRICTION ON COASTWISE ENDORSEMENT.—A vessel constructed with assistance under this subtitle shall not be eligible for a certificate of documentation with a coastwise endorsement.

(3) AUTHORITY TO REFLAG NOT APPLICABLE.—Section 9(g) of the Shipping Act, 1916, (46 U.S.C. App. 808(g)) shall not apply to a vessel constructed with assistance under this subtitle.

(e) EMERGENCY PREPAREDNESS AGREEMENT.—

(1) IN GENERAL.—A contract under this section shall require that the person who will be the operator of a vessel constructed with assistance under the contract shall enter into an Emergency Preparedness Agreement for the vessel under section 53107 of title 46, United States Code, as amended by this Act.

(2) TREATMENT AS CONTRACTOR.—For purposes of the application, under paragraph (1), of section 53107 of title 46, United States Code, to a vessel constructed with assistance under this subtitle, the term “contractor” as used in that section means the person who will be the operator of a vessel constructed with assistance under this subtitle.

(f) ADDITIONAL TERMS.—The Secretary shall incorporate in the contract the requirements set forth in this subtitle, and may incorporate in the contract any additional terms the Secretary considers necessary.

46 USC 53101 note.

SEC. 3544. PRIORITY FOR TITLE XI ASSISTANCE.

Section 1103 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273) is amended by adding at the end the following:

"(i) PRIORITY.—In guaranteeing and entering commitments to guarantee under this section, the Secretary shall give priority to guarantees and commitments for vessels that are otherwise eligible for a guarantee under this section and that are constructed with assistance under subtitle D of the Maritime Security Act of 2003.".

46 USC 53101 note.

SEC. 3545. DEFINITIONS.

In this subtitle the definitions set forth in section 53101 of title 46, United States Code, as amended by this Act, shall apply.

46 USC 53101 note.

SEC. 3546. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary to carry out this subtitle a total of $250,000,000 for fiscal years after fiscal year 2004.

Nuclear Security Initiative Act of 2003.

TITLE XXXVI—NUCLEAR SECURITY INITIATIVE

Sec. 3601. Short title.

Subtitle A—Administration and Oversight of Threat Reduction and Nonproliferation Programs

Sec. 3611. Management assessment of Department of Defense and Department of Energy threat reduction and nonproliferation programs.

Subtitle B—Relations Between the United States and Russia

Sec. 3621. Comprehensive inventory of Russian tactical nuclear weapons.
Sec. 3622. Establishment of interparliamentary Threat Reduction Working Group.
Sec. 3623. Sense of Congress on cooperation by United States and NATO with Russia on ballistic missile defenses.
Sec. 3624. Sense of Congress on enhanced collaboration to achieve more reliable Russian early warning systems.

Subtitle C—Other Matters

Sec. 3631. Promotion of discussions on nuclear and radiological security and safety between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development.

22 USC 5951 note.

SEC. 3601. SHORT TITLE.

This title may be cited as the "Nuclear Security Initiative Act of 2003".

Subtitle A—Administration and Oversight of Threat Reduction and Nonproliferation Programs

SEC. 3611. MANAGEMENT ASSESSMENT OF DEPARTMENT OF DEFENSE AND DEPARTMENT OF ENERGY THREAT REDUCTION AND NONPROLIFERATION PROGRAMS.

(a) GAO ASSESSMENT REQUIRED.—The Comptroller General shall carry out an assessment of the management of the threat reduction and nonproliferation programs of the Department of Defense and the Department of Energy. The matters assessed shall include—

(1) the effectiveness of the overall strategy used for managing such programs;

(2) the basis used to allocate the missions of such programs among the executive departments and agencies;

(3) the criteria used to assess the effectiveness of such programs;

(4) the strategy and process used to establish priorities for activities carried out under such programs, including the analysis of risks and benefits used in determining how best to allocate the funds made available for such programs;

(5) the mechanisms used to coordinate the activities carried out under such programs by the executive departments and agencies so as to ensure efficient execution and avoid duplication of effort; and

(6) the management controls used in carrying out such programs and the effect of such controls on the execution of such programs.

(b) CONSIDERATIONS.—In carrying out the assessment required by subsection (a), the Comptroller General shall take into account—

(1) the national security interests of the United States; and

(2) the need for accountability in expenditure of funds by the United States.

(c) REPORT.—Not later than May 1, 2004, the Comptroller General shall submit a report on the assessment required by subsection (a) to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate. Deadline.

(d) DEFINITIONS.—In this section:

(1) The term "threat reduction and nonproliferation programs of the Department of Defense and the Department of Energy" means—

(A) the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note); and

(B) any programs for which funds are made available under the defense nuclear nonproliferation account of the Department of Energy.

(2) The term "management controls" means any accounting, oversight, or other measure intended to ensure that programs are executed consistent with—

(A) programmatic objectives as stated in budget justification materials submitted to Congress (as submitted with the budget of the President under section 1105(a) of title 31, United States Code); and

(B) any restrictions related to such objectives as are imposed by law.

Subtitle B—Relations Between the United States and Russia

22 USC 5959 note.

SEC. 3621. COMPREHENSIVE INVENTORY OF RUSSIAN TACTICAL NUCLEAR WEAPONS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should, to the extent the President considers prudent, seek to work with the Russian Federation to develop a comprehensive inventory of Russian tactical nuclear weapons.

Deadline.

(b) REPORT.—Not later than 12 months after the date of the enactment of this Act, the President shall submit to Congress a report, in both classified and unclassified form as necessary, describing the progress that has been made toward creating such an inventory.

22 USC 5951 note.

SEC. 3622. ESTABLISHMENT OF INTERPARLIAMENTARY THREAT REDUCTION WORKING GROUP.

(a) ESTABLISHMENT OF WORKING GROUP.—There is hereby established a working group to be known as the "Threat Reduction Working Group" as an interparliamentary group of the Congress of the United States and the legislature of the Russian Federation.

(b) PURPOSE OF WORKING GROUP.—The purpose of the working group established by subsection (a) shall be to explore means to enhance cooperation between the United States and the Russian Federation with respect to nuclear nonproliferation and security and such other issues related to reducing the dangers of weapons of mass destruction as the members of the working group consider appropriate.

(c) MEMBERSHIP.—(1) The majority leader of the Senate, after consultation with the minority leader of the Senate, shall appoint not more than 10 Senators to the working group established by subsection (a).

(2) The Speaker of the House of Representatives, after consultation with the minority leader of the House of Representatives, shall appoint not more than 30 Members of the House to the working group.

22 USC 1928 note.

SEC. 3623. SENSE OF CONGRESS ON COOPERATION BY UNITED STATES AND NATO WITH RUSSIA ON BALLISTIC MISSILE DEFENSES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the President should, in conjunction with the North Atlantic Treaty Organization, encourage appropriate cooperative relationships between the Russian Federation and the United States and North Atlantic Treaty Organization with respect to the development and deployment of ballistic missile defenses.

Deadline.

(b) REPORT TO CONGRESS.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall transmit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report (in unclassified or classified form as necessary) on the easibility of increasing cooperation between the Russian Federation nd the United States and the North Atlantic Treaty Organization n the subject of ballistic missile defense. The report shall include—

(1) the recommendations of the Secretary;

(2) a description of the threat such cooperation is intended to address; and

(3) an assessment of possible benefits to ballistic missile defense programs of the United States.

EC. 3624. SENSE OF CONGRESS ON ENHANCED COLLABORATION TO ACHIEVE MORE RELIABLE RUSSIAN EARLY WARNING SYSTEMS.

It is the sense of Congress that the President, to the extent onsistent with the national security interests of the United States, hould—

(1) encourage joint efforts by the United States and the Russian Federation to reduce the probability of accidental nuclear attack as a result of misinformation or miscalculation by developing the capabilities and increasing the reliability of Russian ballistic missile early-warning systems;

(2) encourage the development of joint programs by the United States and the Russian Federation to ensure that the Russian Federation has reliable information regarding launches of ballistic missiles anywhere in the world; and

(3) pending the execution of a new agreement between the United States and the Russian Federation providing for the conduct of the Russian-American Observation Satellite (RAMOS) program, ensure that funds appropriated for that program for fiscal year 2004 are obligated and expended in a manner that provides for the satisfactory continuation of that program.

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Subtitle C—Other Matters

EC. 3631. PROMOTION OF DISCUSSIONS ON NUCLEAR AND RADIOLOGICAL SECURITY AND SAFETY BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY AND THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT.

22 USC 6321 note.

(a) Sense of Congress Regarding Initiation of Dialogue etween the IAEA and the OECD.—It is the sense of Congress hat—

(1) the United States should seek to initiate discussions between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development for the purpose of exploring issues of nuclear and radiological security and safety, including the creation of new sources of revenue (including debt reduction) for states to provide nuclear security; and

(2) the discussions referred to in paragraph (1) should also provide a forum to explore possible sources of funds in support of the G–8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction.

President. Deadline.

(b) Contingent Report.—(1) Except as provided in paragraph 2), the President shall, not later than 12 months after the date f the enactment of this Act, submit to Congress a report on—

(A) the efforts made by the United States to initiate the discussions described in subsection (a);

(B) the results of those efforts; and

(C) any plans for further discussions and the purposes of such discussions.

(2) Paragraph (1) shall not apply if no efforts referred to in paragraph (1)(A) have been made.

Approved November 24, 2003.

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LEGISLATIVE HISTORY—H.R. 1588 (S. 1047) (S. 1050):

HOUSE REPORTS: Nos. 108–106 and Pt. 2 (both from Comm. on Armed Services) and 108–354 (Comm. of Conference).
SENATE REPORTS: No. 108–46 accompanying S. 1050 (Comm. on Armed Services).
CONGRESSIONAL RECORD, Vol. 149 (2003):
May 21, 22, considered and passed House.
June 4, considered and passed Senate, amended.
Nov. 7, House agreed to conference report.
Nov. 12, Senate agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 39 (2003):
Nov. 24, Presidential remarks and statement.

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